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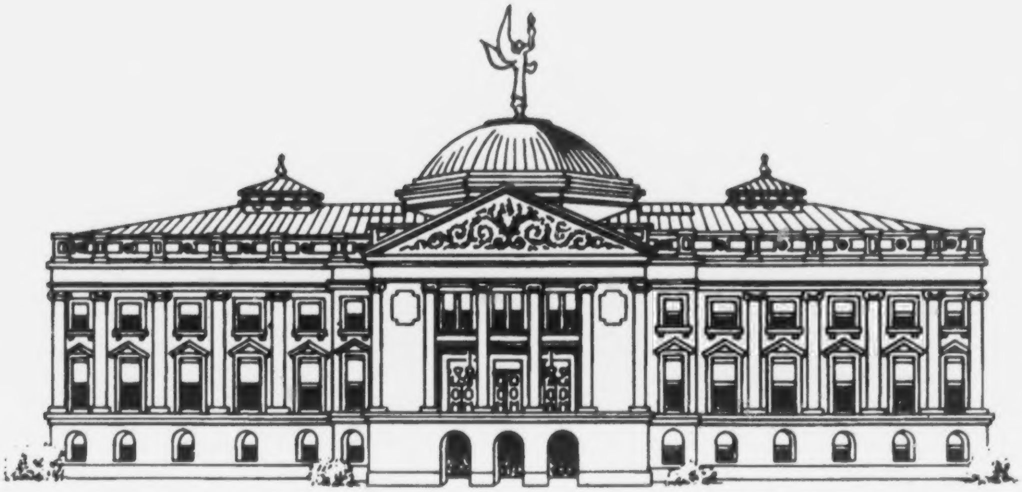
STATE OF ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1990



Prepared by

Department of Administration
Division of Finance
General Accounting Office

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INTRODUCTORY SECTION

1912

FIFE SYMINGTON
GOVERNOR

J. ELLIOTT HIBBS
DIRECTOR

ARIZONA DEPARTMENT OF ADMINISTRATION
STATE CAPITOL • 1700 WEST WASHINGTON, ROOM 290
PHOENIX, ARIZONA 85007

June 26, 1992

The Honorable Fife Symington
Governor of the State of Arizona,
Members of the Legislature, and
Citizens and Taxpayers of
the State of Arizona

Ladies and Gentlemen:

In accordance with Section 35-131 of the Arizona Revised Statutes, it is our pleasure to transmit to you the Comprehensive Annual Financial Report (CAFR) of the State of Arizona for the fiscal year ended June 30, 1990. Responsibility for the accuracy of data, completeness and fairness of presentation, including all disclosures, rests with the State's management. The data presented in this report, to the best of our knowledge and belief, are accurate in all material respects and are reported in a manner which fairly presents the financial position and results of operations of the various funds and account groups of the State. All disclosures needed for the reader to gain a reasonable understanding of the State's financial activities have been included.

The report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this Letter of Transmittal, the State's organization chart and a list of principal State officials. The Financial Section begins with the State Auditor General's report and contains the General Purpose Financial Statements, Combining Financial Statements by Fund Type and Account Group, and other schedules. The Statistical Section includes selected financial, economic and demographic data.

FINANCIAL REPORTING ENTITY

The accompanying CAFR includes all funds and account groups for which the State exercises oversight responsibility. The determination of "oversight responsibility" is based on criteria established in the Codification of "Governmental Accounting and Financial Reporting Standards", issued by the Governmental Accounting Standards Board, (Section 2100). Note 1.B of the Notes to the Financial Statements explains which units are included and excluded from the Financial Reporting Entity of the State.

SERVICES PROVIDED BY THE STATE

The services provided by the State are administered through various agencies, departments, boards, commissions and institutions of higher learning. These services include: (1) General Government, (2) Health and Welfare, (3) Inspection and Regulation, (4) Education, (5) Protection and Safety, (6) Transportation, and (7) Natural Resources.

GENERAL GOVERNMENTAL FUNCTIONS

General governmental activities are accounted for in four Governmental Fund types: (1) the General Fund, (2) Special Revenue Funds, (3) Capital Projects Funds, and (4) Debt Service Funds.

Revenue for governmental and expendable trust fund functions totaled $5.998 billion for the fiscal year ending June 30, 1990, an increase of 8.2% over 1989. Taxes, the single largest source of general governmental revenue, produced 70.1% of revenue. The amount of revenues from various sources and changes from last year are shown as follows:

GENERAL GOVERNMENT REVENUES
(Expressed in Thousands)

Revenue Source	Amount	Percent of Total	Increase/(Decrease) From 1989 Amount	Increase/(Decrease) From 1989 Percent
Sales Taxes.................	$1,924,681	32.1%	$ 45,012	2.4%
Income Taxes................	1,172,769	19.6	26,142	2.3
Motor Vehicle and Fuel Taxes	630,467	10.5	103,904	19.7
Property Taxes..............	121,024	2.0	23,482	24.1
Unemployment Taxes..........	120,078	2.0	(669)	(0.6)
Intergovernmental Revenues..	1,320,078	22.0	257,693	24.3
Licenses, Fees and Permits...	176,618	2.9	(53,389)	(23.2)
Earnings on Investments.....	149,828	2.5	20,895	16.2
Other Taxes and Revenues....	382,251	6.4	29,295	8.3
Total	$5,997,794	100.0%	$452,365	8.2%

The total revenue increase of $452.4 million or 8.2% was the result of the increased economic growth in the State, as reflected by the increases in sales and income taxes, and an increase in intergovernmental revenues, primarily Federal revenues for the Arizona Health Care Cost Containment System.

Expenditures for governmental and expendable trust fund functions totaled $6.184 billion for the fiscal year ending June 30, 1990, an increase of 14.6% over 1989. State government expenditures and the changes from last year are as follows:

GENERAL GOVERNMENT EXPENDITURES
(Expressed in Thousands)

Function	Amount	Percent of Total	Increase/(Decrease) From 1989 Amount	Increase/(Decrease) From 1989 Percent
General Government...........	$ 903,761	14.6%	$123,584	15.8%
Health and Welfare...........	1,720,814	27.8	296,139	20.8
Inspection and Regulation....	70,554	1.1	(1,886)	(2.6)
Education....................	1,438,968	23.3	25,635	1.8
Protection and Safety........	376,554	6.1	17,061	4.7
Transportation...............	506,622	8.2	(54,849)	(9.8)
Natural Resources............	43,866	0.7	(13,148)	(23.1)
Capital Outlay...............	968,462	15.7	346,774	55.8
Debt Service.................	154,619	2.5	49,599	47.2
Total	$6,184,220	100.0%	$788,909	14.6%

The total expenditures increase of $788.9 million or 14.6% was the result of the growth in general government functions and the increasing costs for highway construction and health care.

The total General Fund beginning fund balance restatement of $(175.5) million, includes a change in accounting policy for $(159.8) million. Note 12.A of the Notes to the Financial Statements explains the beginning fund balance restatement in detail. This, along with the $82.1 million deficit from the current year, has resulted in the General Fund's ending fund balance of $(341.6) million.

BUDGETARY CONTROLS

Budgetary control is maintained through legislative appropriation and the executive branch allotment process. The Governor is required to submit an annual budget to the Legislature. The budget is legally required to be adopted through passage of appropriation bills by the Legislature and approval by the Governor. The appropriated funds are controlled by the executive branch through an allotment process. This process allocates the appropriation into quarterly allotments by legal appropriation level. The State also maintains an encumbrance accounting system to further enhance budgetary control. With the exception of capital outlay items, encumbered amounts lapse as of the end of the fiscal year. Capital outlay appropriations and encumbrances continue from year to year.

The State's budgetary policies and procedures, fund accounting structure, and basis of accounting are explained in detail in Note 1 of the Notes to the Financial Statements.

INTERNAL CONTROLS

The State is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the State are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgements by management. In the opinion of management, the State's internal controls are adequate to provide reasonable assurance that these objectives are met.

CASH MANAGEMENT

The responsibility for cash management of the State is shared by the Office of the Treasurer (Treasurer) and the General Accounting Office of the Department of Administration, Finance Division (GAO). The Treasurer is responsible for the depository, custodial and investment functions of cash. The GAO is responsible for drawing down monies available for State functions, and the expenditure or disbursement of those monies. Currently, the GAO is exploring alternatives regarding the consolidation of its cash management functions. The results will comply with potential Federal requirements and promote efficient use of cash.

The State requires that Treasurer's deposits and investments with financial institutions be entirely covered by Federal depository insurance or alternatively collateralized with surety equal to 102% of the deposit or investment. Component units may have collateralization policies that differ from those of the Treasurer.

The legislature has passed statutes authorizing State investments. Note 2.A in the Notes to the Financial Statements describes the types of investment made by the State.

The Treasurer deposits receipts in accordance with applicable statutes and invests excess cash of the General Fund and other various funds. All interest, not otherwise apportioned by law, is deposited in the General Fund. Investment earnings for the General Fund totaled $32.2 million for the fiscal year ended June 30, 1990.

DEBT ADMINISTRATION

The Arizona State Constitution, under Article 9 Section 5, provides that the State may contract debts not to exceed $350,000. This provision has been interpreted to restrict the State from pledging its credit as a sole source of payment for debts incurred for the operation of State government. As a result, the State finances most of its major capital needs by issuing revenue bonds and lease purchase transactions. Revenue bonds are associated with specific State functions and are funded by dedicated revenue sources. Lease purchase transactions are funded by Certificates of Participation (COPs).

The State first issued COPs in 1985 to acquire a telecommunications system for Arizona State University. Since that time, seven more issues have been transacted for the construction and purchase of buildings and other structures. In all cases, the Attorney General determined that the issuance of the COPs was in accordance with the provisions of the Constitution.

COPs issued during the current fiscal year carry a rating of Aaa from Moody's Investors Service, Inc. and AAA from Standard and Poor's Corporation. During the fiscal year ended June 30, 1990, the State issued $39.8 million of COPs and retired $3.1 million. Principal and interest are covered by lease payments out of current revenues or appropriations from the fund responsible for utilization of the specific buildings.

The State has issued revenue bonds primarily to finance the construction of highways. They have also been issued for the construction of buildings and other facilities. The State's revenue bonds currently carry a Aa rating from Moody's Investors Service, Inc. and AAA from Standard and Poor's Corporation. During the Fiscal year ended June 30, 1990, the State issued $465.9 million of revenue bonds and retired $96.1 million.

RISK MANAGEMENT

The State is self-insured for most risk exposures. However, it maintains co-insurance for certain risks in excess of certain amounts. These include airport liability, boiler and machinery coverage, nuclear liability and foreign corporation excess liability.

SIGNIFICANT ACTIVITIES NOT EVIDENT IN THE FINANCIAL SECTION

The State is planning to implement a new Human Resources Management System (HRMS) during fiscal year 1991 to replace the Personnel and Payroll systems that are outdated. HRMS is an on-line system with a common integrated database. This will enable State agencies to have both input and inquiry capabilities. The implementation of the HRMS is expected to reduce tremendously both the volume of paperwork processed by the General Accounting Office and the machine processing time.

The Legislature is evaluating the effect of current and forecasted economic conditions on the State. Their goals are to stabilize the State's budget and to meet the expected growth of the State.

SIGNIFICANT STATE ECONOMIC EVENTS

Arizona is currently experiencing slower economic growth than during the 1980's. Generally, areas of the economy which are people-serving are doing relatively well compared to those which are goods-producing. Tourism, government, mining, retail, transportation and service industries have experienced moderate growth; while utilities, manufacturing and defense-related industries have experienced declining growth rates. However, in stark contrast to the tremendous growth in the mid-1980's, the construction and real estate industries have been in a recession in recent years. This recession continues to have a negative impact on the financial industry of the State.

Arizona continues to attract people and create jobs in the midst of this economic downturn. Job growth is expected to accelerate as the nation recovers from the current downturn. Unemployment in Arizona of 5.3%, was less than the national rate of 5.5%.

PROSPECTS FOR THE FUTURE

In the near future, the Arizona economy is not expected to change significantly. At one end of the spectrum, the service industry is expected to maintain its moderate growth rate; while at the other end the construction industry recession should continue.

Arizona is forecasted to outpace the nation in population growth, causing activity in the various sectors of the economy to expand. Therefore, most sectors of the Arizona economy are expected to grow more rapidly than their national counterparts.

INDEPENDENT AUDIT

The Auditor General is appointed to a five-year term by the Joint Legislative Budget Committee with approval of the Legislature. The State Auditor General is responsible for the audit of all State agencies. The State statute (ARS 41-1279.03) requires at least a biennial single audit by the State Auditor General. This audit is required in conformity with the Single Audit Act of 1984 (PL98-502) and the U.S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments".

AWARDS

The Government Finance Officers Association of the United States and Canada established the Certificate of Achievement for Excellence in Financial Reporting Program to recognize governments that produce outstanding financial reports. In order to be awarded this certificate, a governmental unit must publish an easily readable and efficiently organized CAFR, the contents of which must conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The certificate is valid for a period of one year.

It is a goal of the State to receive the certificate for the CAFR in the immediate future.

ACKNOWLEDGEMENTS

We wish to express our sincere appreciation to the many individuals whose dedicated efforts have made this report possible. The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial and management personnel of each State agency, board, commission, and institution of higher education.

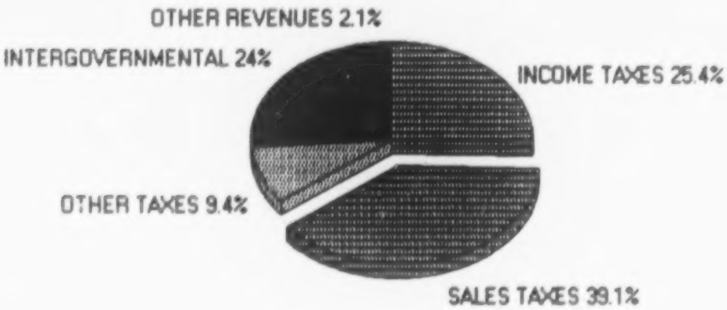
J. Elliott Hibbs
Director

Robert Rocha
Robert Rocha
Finance Director/Comptroller

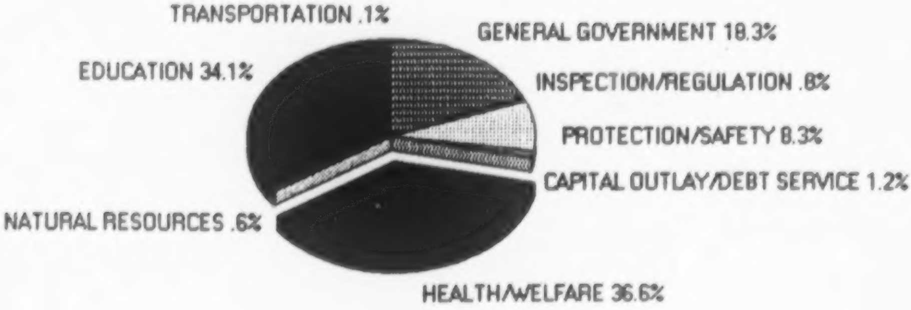
STATE OF ARIZONA

Graphic Presentation of Revenues (by source) And
Expenditures (by function)
General Fund
For The Fiscal Year Ended June 30, 1990

REVENUE BY SOURCE



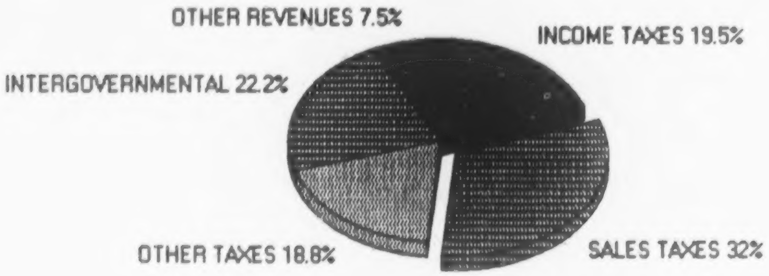
EXPENDITURES BY FUNCTION



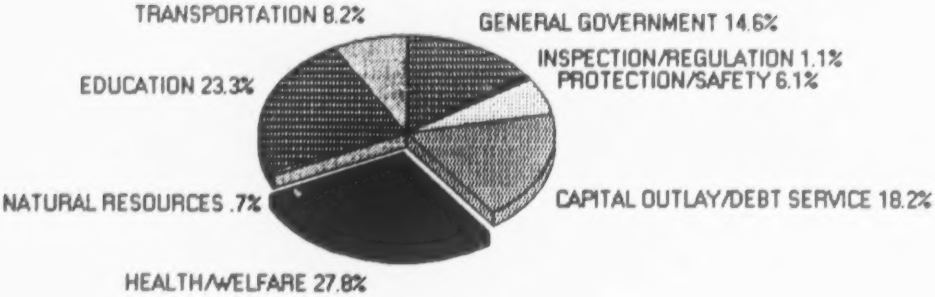
STATE OF ARIZONA

Graphic Presentation of Revenues (by source) And
Expenditures (by function)
All Governmental Fund Types
For The Fiscal Year Ended June 30, 1990

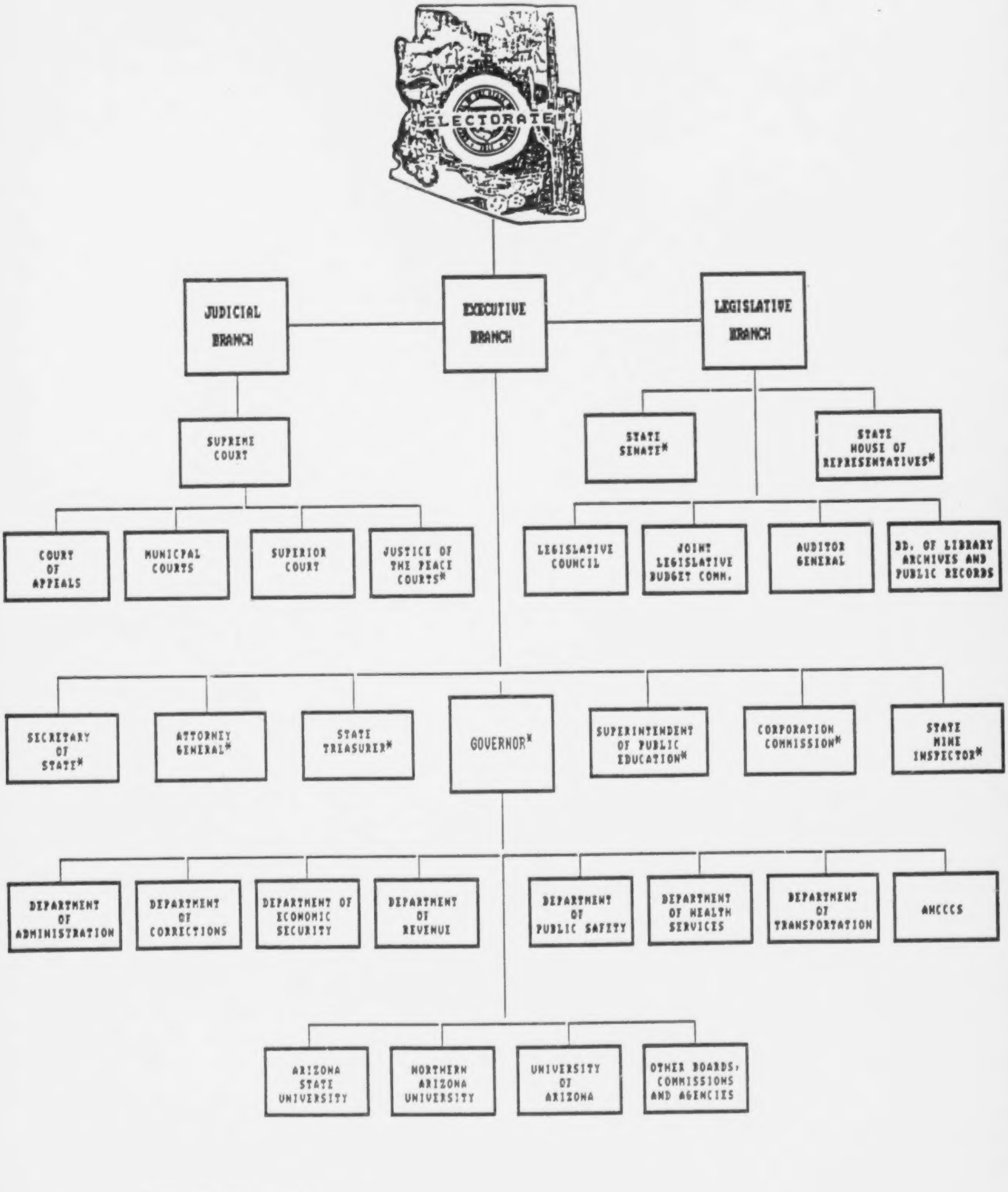
REVENUE BY SOURCE



EXPENDITURES BY FUNCTION



ARIZONA STATE GOVERNMENT ORGANIZATION


ELECTORATE
JUDICIAL BRANCH
EXECUTIVE BRANCH
LEGISLATIVE BRANCH
SUPREME COURT
COURT OF APPEALS
MUNICIPAL COURTS
SUPERIOR COURT
JUSTICE OF THE PEACE COURTS*
STATE SENATE*
STATE HOUSE OF REPRESENTATIVES*
LEGISLATIVE COUNCIL
JOINT LEGISLATIVE BUDGET COMM.
AUDITOR GENERAL
BD. OF LIBRARY ARCHIVES AND PUBLIC RECORDS
SECRETARY OF STATE*
ATTORNEY GENERAL*
STATE TREASURER*
GOVERNOR*
SUPERINTENDENT OF PUBLIC EDUCATION*
CORPORATION COMMISSION*
STATE MINE INSPECTOR*
DEPARTMENT OF ADMINISTRATION
DEPARTMENT OF CORRECTIONS
DEPARTMENT OF ECONOMIC SECURITY
DEPARTMENT OF REVENUE
DEPARTMENT OF PUBLIC SAFETY
DEPARTMENT OF HEALTH SERVICES
DEPARTMENT OF TRANSPORTATION
AHCCCS
ARIZONA STATE UNIVERSITY
NORTHERN ARIZONA UNIVERSITY
UNIVERSITY OF ARIZONA
OTHER BOARDS, COMMISSIONS AND AGENCIES

* ELECTED OFFICIALS

STATE OF ARIZONA
PRINCIPAL STATE OFFICIALS
as of June 30, 1990

Elected Officials

Rose Mofford, Governor

Senator Robert B. Usdane, President of the Senate

Representative Jane Dee Hull, Speaker of the House

Frank X. Gordon, Jr., Chief Justice

Jim Shumway, Secretary of State

Robert K. Corbin, Attorney General

Ray Rottas, State Treasurer

C. Diane Bishop, Superintendent of Public Education

Marcia Weeks, Commissioner,
Corporation Commission

Douglas K. Martin, State Mine Inspector

Appointed Officials

Executive Officials

Catherine R. Eden, Director
Department of Administration

Samuel A. Lewis, Director
Department of Corrections

Linda Moore Cannon, Director
Department of Economic Security

Paul Waddell, Director
Department of Revenue

Col. F. J. Ayars, Director
Department of Public Safety

Ted E. Williams, Director
Department of Health Services

Charles L. Miller, Director
Department of Transportation

Leonard J. Kirschner, M.D., Director
Arizona Health Care Cost Containment System (AHCCCS)

Legislative Officials

Don Jansen, Director
Legislative Council

Ted Ferris, Staff Director
Joint Legislative Budget Committee

Douglas R. Norton, Auditor General

Sharon G. Womack, Director
Board of Library, Archives and Public Records

University Officials

Dr. Lattie F. Coor, President
Arizona State University

Dr. Eugene M. Hughes, President
Northern Arizona University

Dr. Henry Koffler, President
University of Arizona

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

1912

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

Independent Auditors' Report

The Honorable Fife Symington, Governor
State of Arizona

The Honorable Peter Rios, President
Arizona State Senate

The Honorable Jane Dee Hull, Speaker
Arizona House of Representatives

The Honorable Stanley G. Feldman, Chief Justice
Arizona Supreme Court

We have audited the accompanying general purpose financial statements of the State of Arizona, as of and for the year ended June 30, 1990, or December 31, 1989, as listed in the table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds and State Deferred Compensation Plan, which statements comprise 76 percent of the total assets of the Fiduciary Funds. We also did not audit the financial statements of the Arizona Health Care Cost Containment System, the Arizona Department of Transportation, the State Compensation Fund, the University Medical Center, the Arizona Power Authority, the Lottery Commission, and the University of Arizona, which statements comprise 12 percent of the assets and 11 percent of the revenues and other financing sources of the General Fund; 82 percent of the assets and 87 percent of the revenues and other financing sources of the Special Revenue Funds; 100 percent of the assets and 91 percent of the revenues and other financing sources of the Debt Service Funds; 80 percent of the revenues and other financing sources of the Capital Projects Funds; 84 percent of the assets and 92 percent of the revenues and other financing sources of the Enterprise Funds; 36 percent of the assets and 21 percent of the revenues and other financing sources of the Internal Service Funds; 43 percent of the assets and 55 percent of the revenues and other additions of the University Funds; and 86 percent of the liabilities of the General Long-Term Debt Account Group. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the above-mentioned component units, is based solely on the reports of the other auditors.

2700 NORTH CENTRAL AVENUE • SUITE 700 • PHOENIX, ARIZONA 85004 • (602) 255-4385 • FAX (602) 255-1251

Except as discussed in the third and fourth paragraphs, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

The records of the General Fixed Assets Account Group were incomplete as to cost. As a result of such incomplete records, we were unable to satisfy ourselves as to the stated cost of the assets included in the General Fixed Assets Account Group by appropriate audit tests or by other means.

The Arizona Department of Economic Security (ADES) did not maintain adequate accounting records and supporting documentation relating to the expenditures recorded in its Accumulator Account nor, in our opinion, is ADES' system of internal accounting controls adequate to ensure the proper recording of such transactions, which comprise approximately 16 percent of total expenditures reported in the General Fund. Furthermore, it was impracticable to extend our auditing procedures sufficiently to determine the extent to which the financial statements of the General Fund may have been affected by such conditions.

In our opinion, based on our audit and the reports of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the stated cost of the assets included in the General Fixed Assets Account Group and certain expenditures of ADES as discussed in the third and fourth paragraphs, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the State of Arizona as of June 30, 1990, or December 31, 1989, and the results of its operations, the changes in fund balances of its university funds, and the cash flows of its proprietary funds and similar trust funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 12.A.3 to the general purpose financial statements, the State changed its method of recognizing tax revenues in fiscal year 1989-90.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the State of Arizona taken as a whole. The combining and individual fund and account group financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of other auditors, except for the effects of the matters discussed in the third and fourth paragraphs, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The information included in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on such information.

Douglas R. Norton

Douglas R. Norton
Auditor General

June 1, 1992

GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF ARIZONA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1990
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
ASSETS AND OTHER DEBITS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Current Assets:						
Cash and investments (Note 2)	$ 194,717	$ 488,146	$ 27,489	$ 34,464	$ 68,921	$ 48,220
Cash held by trustee (Note 2)	-	-	-	-	2,882	-
Receivables, net of allowances:						
Taxes (Note 3)	307,944	52,685	-	1,664	5,088	-
Interest	4,226	10,071	549	171	18,322	750
Other (Note 3)	3,009	6,349	-	-	72,559	263
Due from U.S. Government (Note 4)	22,394	23,315	-	-	-	-
Due from local governments (Note 4)	2,390	6,907	-	-	-	21
Due from others	6	-	-	-	-	-
Due from other Funds (Note 5)	27,479	42,878	-	812	2,093	9,599
Inventories, at cost	-	2,041	-	-	9,040	2,521
Other	1,114	16	-	-	1,329	821
Total Current Assets	563,279	632,408	28,038	37,111	180,234	62,195
Long-term Assets:						
Investments (Note 2)	-	-	-	-	872,995	-
Investments held by trustee (Note 2)	-	-	-	-	52,573	-
Receivables, net of allowances (Note 3)	-	-	-	-	-	-
Other	-	-	-	-	39,243	-
Fixed assets (Note 6):						
Property and equipment	-	-	-	-	195,665	101,001
Less: accumulated depreciation	-	-	-	-	(54,918)	(43,423)
Total Long-term Assets	-	-	-	-	1,105,558	57,578
Total Assets	563,279	632,408	28,038	37,111	1,285,792	119,773
Other Debits:						
Amount available for retirement of long-term debt	-	-	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-	-	-
Total Assets and Other Debits	$ 563,279	$ 632,408	$ 28,038	$ 37,111	$ 1,285,792	$ 119,773

The Notes to the Financial Statements are an integral part of this statement.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	UNIVERSITY	1990	1989
$ 4,123,374	$ -	$ -	$ 130,344	$ 5,115,675	$ 4,873,699
-	-	-	222,136	225,018	267,569
34,761	-	-	-	402,142	777,213
66,045	-	-	-	100,134	112,022
32,753	-	-	94,625	209,558	326,834
-	-	-	-	45,709	60,331
-	-	-	-	9,318	6,759
-	-	-	-	6	-
10,708	-	-	18,594	112,163	116,567
-	-	-	11,124	24,726	30,439
-	-	-	3,910	7,190	6,204
4,267,641	-	-	480,733	6,251,639	6,577,637
8,018,862	-	-	39,154	8,931,011	7,646,007
-	-	-	-	52,573	57,146
30,600	-	-	-	30,600	36,344
-	-	-	-	39,243	26,987
6,996	4,927,265	-	1,846,492	7,077,419	6,206,925
(947)	(1,177,588)	-	-	(1,276,876)	(1,124,322)
8,055,511	3,749,677	-	1,885,646	14,853,970	12,849,087
12,323,152	3,749,677	-	2,366,379	21,105,609	19,426,724
-	-	28,038	-	28,038	15,061
-	-	1,301,055	-	1,301,055	958,952
$ 12,323,152	$ 3,749,677	$ 1,329,093	$ 2,366,379	$ 22,434,702	$ 20,400,737

STATE OF ARIZONA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1990
(CONTINUED)
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
LIABILITIES AND FUND EQUITY	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Current Liabilities:						
Accounts payable	$ 87,122	$ 90,142	$ -	$ 5,227	$ 28,800	$ 5,036
Accrued expenses	19,641	4,681	-	194	3,540	1,233
Obligations under securities loan agreements	-	-	-	-	-	-
Tax refunds payable (Note 3)	17,111	-	-	-	-	-
Due to U.S. Government	57	-	-	-	-	-
Due to local governments (Note 4)	522,213	55,096	-	-	-	8
Due to others	2,036	1,848	-	-	-	-
Due to other Funds (Note 5)	20,860	48,032	-	64	2,019	1,893
Deferred revenue (Note 3)	141,126	289	-	-	34,468	459
Current portion of insurance losses	72,148	-	-	-	191,072	-
Current portion of long-term debt	-	-	-	-	1,632	3,853
Other	11,844	31	-	-	52,672	-
Total Current Liabilities	894,158	200,119	-	5,485	314,203	12,482
Long-term Liabilities:						
Accrued compensated absences (Note 7)	-	-	-	-	2,275	559
Accrued insurance losses	-	-	-	-	580,459	182,110
Liabilities to plan investors	-	-	-	-	-	-
Long-term debt:						
Revenue bonds (Note 10)	-	-	-	-	117,690	-
Certificates of participation (Note 11)	-	-	-	-	16,600	-
Leases and installment purchases (Note 9)	-	-	-	-	325	12,343
Other	-	-	-	-	248	-
Total Long-term Liabilities	-	-	-	-	717,597	195,012
Total Liabilities	894,158	200,119	-	5,485	1,031,800	207,494
Commitments and contingencies	10,684	-	-	-	-	-
Fund Equity:						
Net investment in fixed assets	-	-	-	-	-	-
Contributed capital	-	-	-	-	7,678	13,880
Retained earnings (Note 12)	-	-	-	-	246,314	(101,601)
Fund balances: (Note 12)						
Reserved	198,539	243,296	28,038	23,116	-	-
Unreserved	(540,102)	188,993	-	8,510	-	-
Total Fund Equity	(341,563)	432,289	28,038	31,626	253,992	(87,721)
Total Liabilities and Fund Equity	$ 563,279	$ 632,408	$ 28,038	$ 37,111	$ 1,285,792	$ 119,773

The Notes to the Financial Statements are an integral part of this statement.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS (MEMORANDUM ONLY)	
TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	UNIVERSITY	1990	1989
$ 30,912	$ -	$ -	$ 50,323	$ 297,562	$ 232,492
3,181	-	-	10,775	43,245	42,354
454,653	-	-	-	454,653	631,698
-	-	-	-	17,111	165,214
-	-	-	-	57	18
1,101,050	-	-	-	1,678,367	1,361,268
9,590	-	-	-	13,474	-
18,850	-	-	20,445	112,163	116,567
16,665	-	-	32,776	225,783	136,969
-	-	-	-	263,220	315,436
-	-	-	17,480	22,965	15,415
642,479	-	-	18,541	725,567	546,491
2,277,380	-	-	150,340	3,854,167	3,563,922
10	-	71,940	-	74,784	68,095
-	-	-	-	762,569	619,292
104,889	-	-	-	104,889	90,232
-	-	1,135,048	494,776	1,747,514	1,378,415
-	-	107,989	85,385	209,974	146,383
-	-	14,116	17,400	44,184	64,801
-	-	-	3,155	3,403	363
104,899	-	1,329,093	600,716	2,947,317	2,367,581
2,382,279	-	1,329,093	751,056	6,801,484	5,931,503
-	-	-	-	10,684	-
-	3,749,677	-	1,375,912	5,125,589	4,501,537
-	-	-	-	21,558	18,988
-	-	-	-	144,713	125,721
9,940,873	-	-	-	10,433,862	9,711,175
-	-	-	239,411	(103,188)	111,813
9,940,873	3,749,677	-	1,615,323	15,622,534	14,469,234
$ 12,323,152	$ 3,749,677	$ 1,329,093	$ 2,366,379	$ 22,434,702	$ 20,400,737

STATE OF ARIZONA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST
REVENUES:					
Taxes:					
Sales	$ 1,805,380	$ 25,288	$ 94,013	$ -	$ -
Income	1,172,699	47	-	-	23
Motor vehicle and fuel	88,369	538,074	-	4,024	-
Property	119,927	1,006	-	91	-
Unemployment	-	-	-	-	120,078
Other	203,593	12,134	-	21,178	-
Intergovernmental	1,090,960	226,883	-	32	2,203
Licenses, fees and permits	33,533	138,423	-	2,168	2,494
Earnings on investments	32,169	34,622	5,917	23,611	53,509
Sales and charges for services	21,059	2,729	-	-	237
Fines, forfeitures and penalties	5,677	20,663	-	-	8,498
Other	25,308	22,607	-	141	38,427
Total Revenues	4,598,674	1,022,476	99,930	51,245	225,469
EXPENDITURES:					
General government	771,728	19,204	-	-	112,829
Health and welfare	1,541,569	14,704	-	-	164,541
Inspection and regulation	33,161	35,130	-	-	2,263
Education	1,436,922	1,771	-	-	275
Protection and safety	351,075	20,996	-	-	4,483
Transportation	2,188	504,399	35	-	-
Natural resources	25,270	18,005	-	-	591
Capital outlay	46,053	346,721	-	574,774	914
Debt service:					
Principal	4,924	733	59,700	-	8
Interest and other fiscal charges	53	33	89,167	-	1
Total Expenditures	4,212,943	961,696	148,902	574,774	285,905
Revenues Over (Under) Expenditures	385,731	60,780	(48,972)	(523,529)	(60,436)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	138,175	24,493	61,949	4,626	103,610
Operating transfers out	(608,897)	(66,479)	-	(14,751)	(10,786)
Other financing sources (uses)	2,871	7,461	-	405,878	13
Total Other Financing Sources (Uses)	(467,851)	(34,525)	61,949	395,753	92,837
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(82,120)	26,255	12,977	(127,776)	32,401
Beginning Fund Balances, as restated (Note 12)	(259,443)	406,034	15,061	159,402	578,903
Ending Fund Balances	$ (341,563)	$ 432,289	$ 28,038	$ 31,626	$ 611,304

The Notes to the Financial Statements are an integral part of this statement.

TOTALS (MEMORANDUM ONLY) 1990	 1989
$ 1,924,681	$ 1,879,669
1,172,769	1,146,627
630,467	526,563
121,024	97,542
120,078	120,747
236,905	245,151
1,320,078	1,062,385
176,618	230,007
149,828	128,933
24,025	14,439
34,838	33,608
86,483	59,758
5,997,794	5,545,429
903,761	780,177
1,720,814	1,424,675
70,554	72,440
1,438,968	1,413,333
376,554	359,493
506,622	561,471
43,866	57,014
968,462	621,688
65,365	41,921
89,254	63,099
6,184,220	5,395,311
(186,426)	150,118
332,853	192,594
(700,913)	(589,901)
416,223	131,839
48,163	(265,468)
(138,263)	(115,350)
899,957	1,195,354
$ 761,694	$ 1,080,004

STATE OF ARIZONA
COMBINED STATEMENT OF REVENUES AND EXPENDITURES
APPROPRIATION (BUDGET) TO ACTUAL - BUDGETARY BASIS
GENERAL, SPECIAL REVENUE AND CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Appropriation (Budget)	Actual	Variance Favorable (Unfavorable)	Appropriation (Budget)	Actual	Variance Favorable (Unfavorable)
REVENUES	$ 2,973,544	$ 3,547,662	$ 574,118	$ -	$ 626,516	$ 626,516
LESS - EXPENDITURES:						
General Operations						
General government	214,576	190,714	23,862	2,009	964	1,045
Health and welfare	472,271	443,446	28,825	5,152	6,403	(1,251)
Inspection and regulation	40,101	37,409	2,692	28,831	25,959	2,872
Education	1,271,094	1,227,423	43,671	-	-	-
Protection and safety	267,031	257,039	9,992	2,063	11,093	(9,030)
Transportation	6,125	77	6,048	1,446,436	567,122	879,314
Natural resources	28,416	25,574	2,842	15,694	14,340	1,354
Capital outlay	14,809	14,809	-	-	-	-
Total General Operations	2,314,423	2,196,491	117,932	1,500,185	625,881	874,304
Other						
General government	17,484	17,055	429	-	-	-
Health and welfare	863,565	501,572	361,993	-	-	-
Protection and safety	1,233	483	750	-	-	-
Capital outlay	3,355	2,539	816	-	-	-
Total Other	885,637	521,649	363,988	-	-	-
Total Expenditures	3,200,060	2,718,140	481,920	1,500,185	625,881	874,304
Revenues Over (Under) Expenditures	(226,516)	829,522	1,056,038	(1,500,185)	635	1,500,820
Transfers and Other Financing Sources (Uses)	(755,411)	(751,327)	4,084	(55,260)	99,390	154,650
Reclassification of Budgetary Fund Equities - General Operations	-	16,012	16,012	-	204	204
Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (981,927)	$ 94,207	$ 1,076,134	$ (1,555,445)	$ 100,229	$ 1,655,674

The Notes to the Financial Statements are an integral part of this statement.

CAPITAL PROJECTS FUNDS		
Appropriation (Budget)	Actual	Variance Favorable (Unfavorable)
-	28,689	28,689
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
61,474	37,824	23,650
61,474	37,824	23,650
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
61,474	37,824	23,650
(61,474)	(9,135)	52,339
(1,363)	3,171	4,534
-	(166)	(166)
$ (62,837)	$ (6,130)	$ 56,707

STATE OF ARIZONA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NON-EXPENDABLE TRUST	PENSION TRUST	1990	1989
OPERATING REVENUES:						
Sales and charges for services:						
Lottery	$ 287,940	$ -	$ -	$ -	$ 287,940	$ 252,007
Other (Note 3)	379,499	104,413	17,338	-	501,250	464,690
Taxes	23,978	-	-	-	23,978	26,136
Intergovernmental	70	-	95	-	165	154
Licenses, fees and permits	945	-	-	-	945	-
Earnings on investments	76,896	-	38,279	1,023,637	1,138,812	839,367
Retirement contributions (Note 8)	-	-	-	205,266	205,266	383,230
Other	20,079	2,360	4,330	1,539	28,308	25,494
Total Operating Revenues	789,407	106,773	60,042	1,230,442	2,186,664	1,991,078
OPERATING EXPENSES:						
Cost of sales and benefits	442,514	13,648	-	-	456,162	444,991
Retirement benefits and refunds	-	-	-	382,606	382,606	292,792
Personal services	89,877	17,140	349	-	107,366	96,465
Contractual services	20,689	13,067	196	-	33,952	29,354
Aid to local governments	30,653	372	44,488	-	75,513	84,173
Depreciation and amortization	11,441	10,957	219	58	22,675	20,395
Insurance	4,965	51,341	65	-	56,371	15,411
Other	57,727	9,488	1,409	50,177	118,801	112,834
Total Operating Expenses	657,866	116,013	46,726	432,841	1,253,446	1,096,415
Operating Income (Loss)	131,541	(9,240)	13,316	797,601	933,218	894,663
NON-OPERATING REVENUES (EXPENSES):						
Interest income	20,770	3,696	-	-	24,466	88,029
Interest expense	(6,307)	-	-	-	(6,307)	(8,154)
Other	2,069	116	58,407	-	60,592	32,867
Total Non-operating Revenues (Expenses)	16,532	3,812	58,407	-	78,751	112,742
Income (Loss) Before Operating Transfers	148,073	(5,428)	71,723	797,601	1,011,969	1,007,405
OPERATING TRANSFERS:						
Operating transfers in	2,466	-	142	729	3,337	6,004
Operating transfers out	(94,691)	(1,428)	(83)	(729)	(96,931)	(79,690)
Net Income (Loss)	55,848	(6,856)	71,782	797,601	918,375	933,719
Beginning Retained Earnings/Fund Balances, as restated (Note 12)	190,466	(94,745)	462,256	7,997,930	8,555,907	7,652,188
Ending Retained Earnings/Fund Balances (Note 12)	$ 246,314	$ (101,601)	$ 534,038	$ 8,795,531	$ 9,474,282	$ 8,585,907

The Notes to the Financial Statements are an integral part of this statement.

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STATE OF ARIZONA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(EXCEPT STATE COMPENSATION AND PARTIAL OTHER ENTERPRISE FUNDS,
FOR THE YEAR ENDED DECEMBER 31, 1989)
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NON-EXPENDABLE TRUST	1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating Income (Loss)	$ 131,541	$ (9,240)	$ 13,316	$ 135,617	$ 78,427
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation	11,914	10,957	219	23,090	20,240
Amortization of investment premium	(17,294)	-	-	(17,294)	(14,558)
Net (gain) loss on sale of investment	(262)	-	-	(262)	1,259
Dividends to policyholders	(31,237)	-	-	(31,237)	(28,256)
Gain on retirement of revenue bonds	-	-	-	-	9
Amortization of bond issuance costs	96	-	-	96	96
Total Adjustments	(36,783)	10,957	219	(25,607)	(21,210)
Changes in assets and liabilities:					
(Increase) decrease in receivables, net of allowances	(12,438)	(52)	2,934	(9,556)	(11,992)
Increase in other long-term assets	(6,443)	-	-	(6,443)	(8,702)
(Increase) decrease in due from other Funds	(795)	(1,620)	(4,159)	(6,574)	241
(Increase) decrease in inventories, at cost	(1,020)	574	-	(446)	237
(Increase) decrease in other current assets	363	807	-	1,170	(1,608)
Increase (decrease) in accounts payable	7,359	(2,548)	2,739	7,550	4,674
Increase (decrease) in accrued expenses	(808)	398	(7)	(417)	(677)
Increase (decrease) in due to other Funds	(5,813)	1,569	(6,634)	(10,878)	3,476
Increase (decrease) in deferred revenue	3,316	(149)	(1,544)	1,623	4,646
Increase (decrease) in other current liabilities	10,514	(352)	(963)	9,199	2,979
Increase (decrease) in compensated absences	1,687	35	(8)	1,714	266
Increase in long-term insurance losses	80,076	26,471	-	106,547	72,465
Increase in other long-term liabilities	175	-	-	175	188
Net Changes in Assets and Liabilities	76,173	25,133	(7,642)	93,664	66,193
Net Cash Provided by Operating Activities	170,931	26,850	5,893	203,674	123,410
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Interest expense	(5,163)	-	-	(5,163)	(7,322)
Other non-operating revenues	2,059	-	58,407	60,466	28,625
Operating transfers in	2,466	-	142	2,608	3,658
Operating transfers out	(94,691)	(1,428)	(83)	(96,202)	(77,344)
Residual equity transfer	1,809	-	-	1,809	(24,741)
Net repayments under line-of-credit agreements	-	-	-	-	(778)
Increase in contributed capital	-	407	-	407	-
Net Cash Provided (Used) by Non-capital Financing Activities	$ (93,520)	$ (1,021)	$ 58,466	$ (36,075)	$ (77,902)

The Notes to the Financial Statements are an integral part of this statement.

STATE OF ARIZONA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 1990
(EXCEPT STATE COMPENSATION AND PARTIAL OTHER ENTERPRISE FUNDS,
[illegible]R THE YEAR ENDED DECEMBER 31, 1989)
(CONTINUED)
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NON-EXPENDABLE TRUST	1990	1989
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of fixed assets	$ (14,781)	$ (9,781)	$ (1,827)	$ (26,389)	$ (21,091)
Retirement of revenue bonds principal	(656)	-	-	(656)	(170)
Interest payments under certificate of participation or bonds	(1,144)	-	-	(1,144)	(832)
Principal payments under leases and installment purchases	(200)	(1,761)	-	(1,961)	(2,548)
Borrowings under leases and installment purchases	(834)	-	-	(834)	1,360
Proceeds from other long-term debt	-	-	-	-	8
Proceeds in funds received by trustee	315	-	-	315	-
Net Cash Used by Capital and Related Financing Activities	(17,300)	(11,542)	(1,827)	(30,669)	(23,273)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	113,427	-	470,006	583,433	586,801
Purchase of investments	(194,285)	-	(542,530)	(736,815)	(692,310)
Interest and dividends on investments	20,505	3,696	-	24,201	88,766
Net Cash Provided (Used) by Investing Activities	(60,353)	3,696	(72,524)	(129,181)	(16,743)
Net Increase (Decrease) in Cash and Short-term Investments	(242)	17,983	(9,992)	7,749	5,492
Cash and Short-term Investments - Beginning	72,045	30,237	62,243	164,525	159,033
Cash and Short-term Investments - Ending	$ 71,803	$ 48,220	$ 52,251	$ 172,274	$ 164,525

NON-CASH TRANSACTIONS

Enterprise:

The Social Service Contractors Indemnity Pool was classified as an Agency Fund for the June 30, 1989 fiscal year, but was reclassified as an Enterprise Fund for the June 30, 1990 fiscal year. The Social Service Contractors Indemnity Pool administers insurance coverage to social service agencies contracted by the State of Arizona.

The University Medical Center estimates that charitable care is in excess of $5 million annually.

The Industrial Commission at June 30, 1990 had not transferred $1.8 million from a Special Revenue Fund to an Enterprise Fund as required by Title 23, Chapter 6 of the Arizona Revised Statutes.

During the fiscal year, Arizona Correctional Industries transferred land and buildings with a net depreciated cost of $312 thousand back to the Department of Corrections. Arizona Correctional Industries reduced contributed capital by $191 thousand and recorded an interfund receivable of $120 thousand from the Department of Corrections in exchange for the return of the land and buildings. The uncollected amount of the interfund receivable at June 30, 1990 is $106 thousand.

Non-Expendable Trust:

During the fiscal year, the Land Department obtained title to vacant land from a defaulted land sale contract. The State has recorded a fixed asset amount for the vacant land of $2.2 million

The Notes to the Financial Statements are an integral part of this statement.

STATE OF ARIZONA
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	CURRENT OPERATING FUNDS				
	UNRESTRICTED				
	GENERAL OPERATING FUNDS	DESIGNATED FUNDS	AUXILIARY ENTERPRISES FUNDS	RESTRICTED FUNDS	TOTAL CURRENT OPERATING FUNDS
REVENUES AND OTHER ADDITIONS:					
Unrestricted current revenues	$ 162,531	$ 135,942	$ 145,750	$ -	$ 444,223
Tuition and fees	-	-	-	167	167
Governmental grants and contracts	-	-	-	180,666	180,666
Private gifts, grants and contracts	-	-	-	72,110	72,110
Investment and endowment income	-	-	-	2,907	2,907
Additions to plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Other additions	-	-	-	75	75
Total Revenues and Other Additions	162,531	135,942	145,750	255,925	700,148
EXPENDITURES AND OTHER DEDUCTIONS:					
Educational and general expenditures	612,459	101,792	-	215,432	929,683
Auxiliary enterprise expenditures	-	-	125,248	-	125,248
Indirect costs recovered	-	-	-	37,551	37,551
Cancellation of loans and provision for bad debts	-	-	-	-	-
Administrative and collection costs	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Interest on indebtedness	-	-	-	-	-
Disposal of plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Other deductions	-	-	-	296	296
Total Expenditures and Other Deductions	612,459	101,792	125,248	253,279	1,092,778
TRANSFERS AMONG FUNDS ADDITIONS (DELETIONS):					
State general fund appropriations	482,227	-	-	848	483,075
Mandatory loan fund and matching grants	-	(92)	-	84	(8)
Mandatory debt indenture requirements	(1,324)	(24,382)	(14,324)	(41)	(40,071)
Other mandatory	(28,737)	(2,695)	(1,481)	283	(32,630)
Voluntary, net	408	(9,595)	(6,222)	(498)	(15,907)
Net Transfers Among Funds	452,574	(36,764)	(22,027)	676	394,459
Net Increase (Decrease) for the Year	2,646	(2,614)	(1,525)	3,322	1,829
Beginning Fund Balances	6,546	37,811	22,429	17,849	84,635
Ending Fund Balances	$ 9,192	$ 35,197	$ 20,904	$ 21,171	$ 86,464

The Notes to the Financial Statements are an integral part of this statement.

NON-OPERATING FUNDS							
		PLANT FUNDS					
STUDENT LOAN FUNDS	ENDOWMENT AND SIMILAR FUNDS	UNEXPENDED PLANT FUNDS	DEBT SERVICE FUNDS	INVESTMENT IN PLANT	TOTAL PLANT FUNDS	TOTAL ALL FUNDS 1990	1989
$ -	$ -	$ -	$ -	$ -	$ -	$ 444,223	$ 397,804
-	455	-	663	-	663	1,285	-
267	-	1,367	48	-	1,415	182,348	166,704
39	683	749	100	12,056	12,905	85,737	73,113
504	1,264	9,088	8,807	-	17,895	22,570	23,022
-	-	-	-	259,342	259,342	259,342	194,468
-	-	-	1,110	22,465	23,575	23,575	13,170
682	441	1,680	14	13,435	15,129	16,327	1,235
1,492	2,843	12,884	10,742	307,298	330,924	1,035,407	869,516
-	-	-	-	-	-	929,683	868,559
-	-	-	-	-	-	125,248	117,743
40	-	-	-	-	-	37,591	33,804
1,727	-	-	-	-	-	1,727	1,209
635	-	-	28	-	28	663	270
-	-	175,688	-	-	175,688	175,688	127,434
-	-	-	42,703	-	42,703	42,703	32,722
-	-	-	-	21,713	21,713	21,713	21,585
-	-	-	22,465	-	22,465	22,465	13,170
113	-	2,065	760	-	2,825	3,234	3,691
2,515	-	177,753	65,956	21,713	265,422	1,360,715	1,220,187
-	173	6,815	-	-	6,815	490,063	470,993
8	-	-	-	-	-	-	-
-	(1,961)	(758)	42,790	-	42,032	-	-
11	-	(2,564)	6,774	-	4,210	(28,409)	-
(80)	(2,298)	133,729	(9,591)	(105,853)	18,285	-	-
(61)	(4,086)	137,222	39,973	(105,853)	71,342	461,654	470,993
(1,084)	(1,243)	(27,647)	(15,241)	179,732	136,844	136,346	120,322
34,469	69,022	52,376	42,296	1,196,179	1,290,851	1,478,977	1,358,655
$ 33,385	$ 67,779	$ 24,729	$ 27,055	$ 1,375,911	$ 1,427,695	$ 1,615,323	$ 1,478,977

STATE OF ARIZONA
COMBINED STATEMENT OF CURRENT OPERATING FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	UNRESTRICTED FUNDS						
	GENERAL OPERATING FUNDS	DESIGNATED FUNDS	AUXILIARY ENTERPRISES FUNDS	TOTAL UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL CURRENT OPERATING FUNDS 1990	TOTAL CURRENT OPERATING FUNDS 1989
REVENUES:							
Tuition and fees	$ 154,151	$ 62,631	$ 6,782	$ 223,564	$ 150	$ 223,714	$ 194,029
Governmental grants and contracts	3,155	33,116	55	36,326	159,013	195,339	169,676
Private gifts, grants and contracts	-	9,329	2,288	11,617	52,784	64,401	64,063
Investment and endowment income	1,778	10,937	375	13,090	2,870	15,960	12,641
Sales and services of auxiliary enterprises	-	-	133,666	133,666	-	133,666	123,841
Internal services	-	-	2,440	2,440	-	2,440	1,138
Other	3,447	19,929	144	23,520	96	23,616	21,784
Total Revenues	162,531	135,942	145,750	444,223	214,913	659,136	587,172
EXPENDITURES:							
Educational and general:							
Instruction	264,496	30,220	-	294,716	19,356	314,072	318,465
Research	51,424	8,236	-	59,660	125,110	184,770	162,541
Public service	13,889	4,074	-	17,963	23,719	41,682	38,050
Academic support	103,042	14,035	-	117,077	1,214	118,291	108,302
Student services	31,086	7,670	-	38,756	1,489	40,245	37,369
Institutional support	54,410	28,284	-	82,694	296	82,990	74,465
Operation and maintenance of plant	67,362	5,825	-	73,187	7	73,194	66,393
Scholarships and fellowships	26,750	3,448	-	30,198	44,241	74,439	62,974
Total Educational and General Expenditures	612,459	101,792	-	714,251	215,432	929,683	868,559
Auxiliary enterprises	-	-	125,248	125,248	-	125,248	117,743
Total Expenditures	612,459	101,792	125,248	839,499	215,432	1,054,931	986,302
MANDATORY TRANSFERS:							
Debt indenture requirements	(1,324)	(24,382)	(14,324)	(40,030)	(41)	(40,071)	(33,993)
Loan fund and matching grant	-	(92)	-	(92)	84	(8)	(28)
Other mandatory	(28,737)	(2,695)	(1,481)	(32,913)	283	(32,630)	(3,278)
Total Mandatory Transfers	(30,061)	(27,169)	(15,805)	(73,035)	326	(72,709)	(37,299)
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):							
Appropriation from State General Fund	482,227	-	-	482,227	520	482,747	465,806
Restricted receipts over transfers to revenues	-	-	-	-	3,596	3,596	1,847
Voluntary transfers, net	408	(9,595)	(6,222)	(15,409)	(498)	(15,907)	(26,491)
Other	-	-	-	-	(103)	(103)	(173)
Total Other Transfers and Additions (Deductions)	482,635	(9,595)	(6,222)	466,818	3,515	470,333	440,989
Net Increase (Decrease) in Fund Balances	$ 2,646	$ (2,614)	$ (1,525)	$ (1,493)	$ 3,322	$ 1,829	$ 4,560

The Notes to the Financial Statements are an integral part of this statement.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the State of Arizona have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units.

The measurement focus of the financial statements for Governmental, Expendable Trust and Agency Funds is the flow of current financial resources, measured by the modified accrual basis of accounting. The measurement focus of the financial statements for Proprietary, Non-Expendable Trust, Pension Trust and University Funds is the flow of economic resources, measured by the accrual basis of accounting.

The State classifies assets and liabilities as current or long-term on the balance sheet. Liabilities expected to be paid within the next 12 months, except for the General Long-Term Debt Account Group, along with the assets available to meet those liabilities, are classified as current. Other assets and liabilities are long-term.

Amounts in the 1990 and 1989 "Total-Memorandum Only" columns in the accompanying financial statements represent a summation of the combined financial statement line items. These are presented for analytical purposes only. Consequently, amounts shown in the "Total-Memorandum Only" columns are not comparable to a consolidation, and they do not represent the total resources available, total liabilities and fund balances or total revenues and expenditures/expenses of the State.

Certain amounts have been reclassified in 1989 to conform to the 1990 presentation.

All financial statement information of the reporting entity is for the fiscal year-ended June 30, 1990, except for certain components of the Enterprise Funds. The State Compensation Fund's and the Social Service Contractors Indemnity Pool's, a component of the Other Enterprise Funds, information is for the calendar year-ended December 31, 1989. The Social Service Contractors Indemnity Pool's information covers an eighteen month period from June 30, 1988 to December 31, 1989.

B. FINANCIAL REPORTING ENTITY

The accompanying financial statements include financial transactions of all funds, account groups, elected offices, agencies, boards, commissions and universities over which the State's judicial, executive or legislative branches exercise primary oversight responsibility. Oversight responsibility includes selection of an entity's governing authority and ultimate accountability for fiscal matters.

The State reporting entity includes the three State universities (University of Arizona, Arizona State University, and Northern Arizona University), the University Medical Center Corporation, the Arizona Power Authority, and the four State retirement systems.

The State reporting entity does not include counties, municipalities, school districts, community colleges, the Central Arizona Water Conservation District or other political subdivisions of the State over which the State exercises little, if any, oversight responsibility.

NOTE 1. (CONTINUED)

C. FUND STRUCTURE

The State uses approximately 500 accounting funds. Each accounting fund is a separate accounting entity with its own self-balancing set of accounts that represent its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual accounting funds depending upon the purposes for which the State collects revenues or expends resources, and the means the State uses to control spending activities. For the purpose of preparing financial statements, the accounting funds have been combined by fund type. Account groups are used to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The four major fund types and the two account groups are described below.

1. Governmental Fund Types

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund consists of four different sub-funds: 1) the General Operating Fund; 2) Federal Grants; 3) Other Appropriated Items; and 4) Other Non-Appropriated Items.

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds account for financial resources used to acquire or construct major capital facilities (other than those financed by Proprietary, Non-Expendable Trust, Pension Trust or University Funds).

2. Proprietary Fund Types

Enterprise Funds account for operations (a) financed and operated in a manner similar to private business enterprises, where the State intends that the cost of providing goods or services to the general public be financed or recovered primarily through service charges, or (b) where the State decides that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds account for the financing of goods and services provided by one State department or agency to other State departments or agencies on a cost-reimbursement basis.

3. Fiduciary Fund Types

Expendable Trust Funds account for assets held by the State in a trustee capacity, where principal may be expended in the course of the funds' designated operations.

Non-Expendable Trust Funds account for assets held by the State in a trustee capacity, where the State must preserve the principal intact, and may expend only income derived from the principal for the funds' designated operations.

Pension Trust Funds account for transactions of the four public employee retirement systems for which the State acts as trustee.

NOTE 1. (CONTINUED)

Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the State, where the State acts as an agent for distribution to other governmental units or organizations.

4. University Fund Type

The University Funds account for the transactions of the State's three universities. For State reporting purposes, the University Funds combine the balances of each university's separate financial statements.

The University Funds include:

* Current Operating Funds which account for unrestricted resources over which the governing board retains full control in achieving the institutions' purposes and restricted resources which may be utilized only in accordance with externally restricted purposes.

* Loan funds account for loans made to assist students in financing their education.

* Endowment funds account for private gifts which specify income purpose and principal protection.

* Agency funds account for assets for which the university acts in a custodial manner.

* Plant funds which account for institutional property investment, acquisition, renewal, replacement and debt service.

5. General Fixed Assets Account Group

Fixed assets used in Governmental and Expendable Trust Fund operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the individual funds. Fixed assets related to Proprietary, Non-Expendable Trust, Pension Trust and the University Funds are accounted for in those funds.

6. General Long-Term Debt Account Group

The General Long-Term Debt Account Group reflects long-term liabilities expected to be retired with Governmental and Expendable Trust Fund resources. Acquisition liabilities related to Proprietary, Non-Expendable Trust, Pension Trust and University Funds are accounted for in those funds.

D. BASIS OF ACCOUNTING

1. Overview

The financial statements present the Governmental, Expendable Trust and Agency Funds on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and other financial resources are recognized in the accounting period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. Expenditures and other uses of financial resources are recognized when the related fund liability is incurred.

NOTE 1. (CONTINUED)

The financial statements of the Proprietary, Non-Expendable and Pension Trust Funds are presented on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

The financial statements of the University Funds use the accrual basis of accounting in accordance with generally accepted accounting principles.

2. Revenue Recognition - Governmental Fund Types

The State recognizes tax revenues and related receivables when the taxpayer incurs the corresponding liability, and the payment has been demanded, provided the State can reasonably estimate the amount of revenue to which it is entitled and can reasonably establish its collectibility, i.e., earned and collected or expected to be collected within the next 31 days. Otherwise, the State defers recognizing revenue until cash is received. Major revenues determined to be susceptible to accrual include income, sales, unemployment and motor vehicle and fuel taxes. The receivables, not expected to be collected within the next 31 days are recorded as deferred revenue.

Prior to fiscal year 1990, the State recognized receivables for income, property and estate taxes when the taxpayer incurred the liability without regard to when the tax demand date or cash collection occurred. For fiscal year 1990, the State recognizes receivables for income, property and estate taxes when the tax has been demanded by year-end and payment is received within 31 days of the end of the fiscal year.

The State estimates the amount of taxes that will ultimately be uncollectible and excludes these from revenues. Tax refunds are based upon actual expenditures for the 31 days after fiscal year end and are recorded as a liability and a reduction in related revenue.

Federal grants and reimbursements are recorded as intergovernmental receivables and revenues when the State incurs the related expenditures or expenses, provided the State has complied with the terms of the grant award. Revenues from Federal entitlement awards are recorded as intergovernmental receivables and revenues when entitlement occurs.

Revenue from non-refundable licenses, permits and similar fees is recorded when payment is made. Revenue from refundable licenses, permits and similar fees is recorded ratably over the period covered by the payment. Other revenues are recorded when earned, or when the State becomes entitled to the revenue and can establish its collectibility; otherwise, the State defers recognition of revenue until cash is received.

3. Expenditure Recognition - Governmental Fund Types

The State recognizes expenditures and related liabilities in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, as a result of receiving property, goods or services, or when the beneficiary of a State program becomes entitled to receive benefits. Exceptions to this rule are:

- The State does not recognize a liability or the related expenditure for expected future welfare, health and similar benefits if the beneficiary is entitled to benefits solely because of a current condition.
- The State recognizes interest in the Debt Service Funds to the extent it becomes payable during the current fiscal year.

NOTE 1. (CONTINUED)

- The State recognizes compensated absences in the period they are paid. The amounts earned and to be paid in the future are recorded in the General Long-Term Debt Account Group.
- The State recognizes a liability for urban revenue sharing which represents the local governments' share of State income tax. This share is disbursed to the local governments monthly, based on collections for the same month 2 years prior.

The portion of the liabilities which are expected to be paid beyond 12 months is recorded in the General Long-Term Debt Account Group.

4. Expenditure Classification - Governmental Function Types

General Government agencies provide general government services to other State agencies or to the general public.

Health and Welfare agencies provide health services and welfare services to the general public.

Inspection and Regulation agencies provide inspection and regulatory services for the general public.

Education agencies provide education services to the general public.

Protection and Safety agencies provide law enforcement, military, custody and related services to the general public.

Transportation services to the general public are provided by the Arizona Department of Transportation.

Natural Resources agencies provide services with regard to the natural resources of the State.

E. VALUATION POLICIES

1. Cash and Cash Equivalents

Cash and cash equivalents include undeposited receipts, petty cash, bank accounts, and certificates of deposit.

2. Investments

Investments are stated at cost or amortized cost, except for investments in the Deferred Compensation Agency which are reported at market value.

3. Inventories

Inventories consist of expendable supplies held for consumption in all funds, and merchandise intended for sale to customers in the Proprietary and University Funds. Inventories are stated at cost, using the first-in, first-out method.

4. General Fixed Assets

Fixed assets capitalized in the General Fixed Assets Account Group are recorded at the time of purchase as capital outlay or other expenditures in the funds from which the expenditures are made. Such assets are capitalized at historical cost or estimated historical cost if actual historical cost is unknown. Donated fixed assets are recorded at fair value on the date of contribution.

NOTE 1. (CONTINUED)

The State computes depreciation on its general fixed assets and annually adjusts accumulated depreciation in the General Fixed Assets Account Group. Current depreciation is not included in expenditures.

5. Proprietary and Similar Trust Fund Fixed Assets

Fixed assets acquired in Proprietary Funds are capitalized at historical cost or estimated historical cost if actual cost is unknown. Donated fixed assets are recorded at fair value on the date of contribution.

6. University Fixed Assets

Fixed assets capitalized in the University Funds are recorded at historical cost or estimated historical cost if actual historical cost is unknown. Donated fixed assets are recorded at fair value on the date of contribution. The University Funds do not record depreciation on fixed assets.

7. Leases

The State has capital leases for land, buildings, machinery and equipment. Although the terms of these leases vary, most are subject to annual appropriations by the Legislature. If a legislative appropriation is reasonably assured and the intent of the State is to continue the lease, a capital lease is considered non-cancellable for financial reporting purposes and is reported in the General Long-Term Debt Account Group, or in the appropriate Proprietary or University Fund.

Assets acquired through capital leases are valued at the lower of fair market value or the present value of the future minimum lease payments at the start of the lease. Capital leases for the Governmental Funds are reported in the General Long-Term Debt Account Group and the related assets are reported in the General Fixed Assets Account Group. Capital leases for the Proprietary or University funds are reported in those funds as a long-term obligation, together with the related assets.

The State also leases land, buildings and equipment under operating leases. The related assets are not capitalized. Operating lease obligations are recorded when incurred as rental expenditures or expenses of the related funds.

F. BUDGETS AND BUDGETARY ACCOUNTING

1. Budget Process

Annually, no later than five days after the regular session of the Legislature convenes, the Governor must submit to the Legislature for approval, a proposed operating and capital outlay budget for the succeeding fiscal year. The Legislature must approve the budget by passing a general and a capital outlay appropriation bill. The budget can be amended throughout the year by special legislative appropriations and/or budget transfers. The State's budgeted expenditures may not exceed seven percent of aggregate personal income as estimated by the Economic Estimates Commission as stated in the State Constitution.

Funds which have legal budgets include the General Fund, Special Revenue Funds (except for minor funds), portions of Capital Projects Funds, State appropriations to the Coliseum and Exposition Center of the Enterprise Funds, certain Expendable, Non-Expendable and Pension Trust Funds, and State appropriations to the University Funds. However, Federal resources included in these Funds are not appropriated. The General Fund is the only fund for which a revenue budget is prepared.

NOTE 1. (CONTINUED)

State agencies are responsible for exercising budgetary control and ensuring that expenditures do not exceed appropriations. The State Department of Administration - Division of Finance exercises oversight and does not disburse funds in excess of appropriations.

The State prepares its annual budget on the cash basis of accounting. Encumbrances as of June 30 can be liquidated during a four week administrative period known as the 13th month. Anticipated revenue is estimated on the cash basis. The statements comparing budgeted and actual results are presented on the budgetary (or legal) basis.

2. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is an extension of formal budgetary control. The Department of Administration - Division of Finance is authorized to draw warrants against the available balances of appropriations for one month after the end of the fiscal year in order to pay for goods or services received but not paid for at the close of the fiscal year.

Encumbrances outstanding more than one month after year end for goods or services that were not received before year end are cancelled. These can only be paid upon a subsequent appropriation by the Legislature. Encumbrances for goods and services received before year end can be paid in the subsequent year with the previous year appropriations.

One month after year end, the remaining available appropriations lapse and no further payments may be made except for continuing appropriations allowed under Arizona Revised Statutes (ARS) Section 35-190. Continuing appropriations primarily relate to multi-year commitments and automatically renew without further legislative action until altered or revoked.

NOTE 2. CASH AND INVESTMENTS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are under the control of the State Treasurer, the retirement systems or other administrative bodies. In accordance with statutory requirements, the State invests temporary surpluses of cash in obligations issued or guaranteed by the U.S. Government, and commercial paper or bankers acceptances for a term not to exceed fifteen days. Most cash deposited with the State Treasurer by State agencies is maintained by the Treasurer in various pooled investment funds. The Treasurer deposits in the General Fund interest earned from investments purchased with such pooled monies. However, the Treasurer also invests a State agency's cash in a separate pool if specifically requested to do so by the agency; the Treasurer allocates interest earned from these investments monthly to the participating funds based on average daily cash balances.

Arizona Revised Statutes 23-703 requires that unemployment insurance contributions from Arizona employers be deposited in an unemployment trust fund account with the Secretary of the Treasury of the United States that is established and maintained pursuant to section 1104 of the Social Security Act. The cash on deposit in the trust fund account is pooled and invested. Interest earned from investments purchased with such pooled monies is deposited in the trust fund account.

NOTE 2. (CONTINUED)

The State Treasurer invests the deposited cash, including the cash float, in short-term securities and other investments. Provisions of Arizona law restrict these investments to obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposits (only if deposits in excess of the insured amount are secured by the depository), collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities.

Statutes enacted by the Legislature authorize the retirement systems to make investments in accordance with the "Prudent Man" rule. This rule imposes the responsibility of making investments with the judgement and care that men of ordinary prudence would exercise in the management of their own affairs when considering both the probable safety of their capital and the probable income from that capital. Within this broad framework, the retirement systems have chosen to invest in short-term securities and repurchase agreements, obligations of the U.S. Government and its agencies, corporate bonds, common and preferred stocks and mortgages. The Statutes also place certain restrictions on the investment fund portfolios of the retirement systems.

The Statutes also allow the Arizona State Retirement System to lend securities to brokers under a security loan program. The System enters into agreements with brokers to loan securities and have the same securities redelivered at a later date. It is the policy of the System to receive and maintain as collateral at least 102% of the market value of the loaned securities in the form of cash. The system records the cash received and the same amount as an obligation for securities on loan. The cash received is invested in temporary investments. Interest income from the investment of the collateral is returned to the broker. The System receives a negotiated fee for its loan activities. At June 30, 1990 and 1989, the System had $421.1 and $491.7 million, respectively, outstanding as payable for securities on loan.

Due to the flow of securities to and from transfer agents and the security loan program, securities occasionally cannot be delivered for a sale or received for a purchase, resulting in a "failed" transaction. Securities with trade dates in June and settlement dates in July result in "outstanding" transactions. Since these securities have contractually changed ownership, receivables and payables result from these transactions. Such transactions resulted in a receivable for securities sold of $19.3 and $55.6 million at June 30, 1990 and 1989, respectively, and a payable for securities purchased of $33.5 and $66.2 million at June 30, 1990 and 1989, respectively.

B. RESTRICTED ASSETS

University Funds report as restricted assets cash and investments for bond and loan retirement funds (including advance refunding of bonds), as well as for maintenance and replacement reserves. The endowment and restricted funds also include restricted assets.

C. COLLATERAL AND INSURANCE

The State requires that deposits and investments with financial institutions be entirely covered by Federal depository insurance or, alternatively, collateralized with surety equal to at least 100% (102% for the Treasurer) of the deposits so collateralized. Cash deposited with banks is collateralized based on bank balances. Surety collateralization includes U.S. government obligations, State obligations, obligations of counties and municipalities within the State, and certain other securities.

NOTE 2. (CONTINUED)

The following table summarizes the collateral and insurance afforded the cash and investments held by the State at June 30, 1990 (expressed in millions). Category A includes cash or investments that are insured or registered, or for which the securities held as collateral are held by the State or its agent in the State's name. Category B includes uninsured and unregistered cash or investments for which the securities are held by the broker's or dealer's agent or bank trust department in the State's name. Category C includes uninsured and unregistered investments for which securities held, if any, are not in the State's name.

Type of Deposit or Investment	Category			Carrying Amount	Market Value
	A	B	C		
Cash on hand, demand and similar accounts	$ 11.3	$ 27.2	$ 35.0	$ 73.5	$ 73.5
U.S. Government securities	2,825.3	1,228.8	396.1	4,450.2	4,664.7
Corporate stocks	2,834.0	527.4	18.2	3,379.6	3,896.3
Corporate debt	241.4	1,345.0	3.9	1,590.3	1,584.6
State and local government securities	83.3	1,642.0	-	1,725.3	1,725.6
Repurchase agreements	30.3	68.4	-	98.7	98.7
Certificate of deposit	177.7	81.5	-	259.2	259.2
Other investments	1,937.4	295.5	16.0	2,248.9	2,254.7
Total	$8,140.7	$5,215.8	$ 469.2	13,825.7	14,557.3
United States Treasury Pooled Investment				498.6	498.6
Grand Total				$14,324.3	$ 15,055.9

At June 30, 1990, the State had no commitments to resell securities under yield maintenance agreements.

During the year ended June 30, 1990, the State did not make significant investments in types of investments beyond those enumerated in the table above.

NOTE 3. RECEIVABLES/PAYABLES/OTHER REVENUES

A. TAXES RECEIVABLE

Taxes receivable represent amounts owed by taxpayers for the 1989 and prior calendar years including assessments for underpayment, penalties and interest. Taxes receivable are accrued when they are earned, measurable, and available.

The income tax receivable is composed of individual and corporate estimated payments, withholding payments, payments with final returns and assessments which relate to income earned through June 30, 1990. The property tax receivable is composed of payments for real property and payments for assessments in-lieu of taxes, which relate to property owned and subject to tax through June 30, 1990. The following table summarizes taxes receivable at June 30, 1990 (expressed in millions).

NOTE 3. (CONTINUED)

Type of Tax	General Fund	Special Revenue Funds	Capital Projects Funds	Enterprise Funds	Expendable Trust Funds
Sales	$ 190.4	$ 9.8	$ -	$ -	$ -
Income-Individual and Corporate	184.6	-	-	-	-
Property	11.6	-	-	-	-
Insurance Premium	-	-	-	5.1	-
Motor Vehicle and Fuel	7.0	42.9	-	-	-
Luxury	5.2	-	1.7	-	-
Unemployment	-	-	-	-	34.8
Allowance for uncollectible taxes	(90.9)	-	-	-	-
Net Taxes Receivable	$ 307.9	$ 52.7	$ 1.7	$ 5.1	$ 34.8

B. OTHER RECEIVABLES

The total amount of other current receivables at June 30, 1990 is $209.6 million. The following schedule summarizes other current receivables over $5 million (expressed in millions).

Fund	Type of Receivable	Amount
Enterprise	Patient accounts	$ 26.0
Enterprise	Lottery ticket sales	6.7
Pension Trust	Securities sold	19.3
Pension Trust	Contributions	10.2
University	Student loans and fees	94.6

The State Compensation Fund had a receivable for premiums at December 31, 1989 of $34.7 million.

Long-term accounts receivables consist primarily of receivables for land sales contracts of the Land Department, a Non-Expendable Trust Fund ($30.2 million).

C. DEFERRED REVENUES

Deferred revenues consist of payments to the State for goods and services not yet rendered. Delinquent taxes not collected within 31 days after June 30, 1990, have been deferred and, consequently, are not included in current year revenues. Funds with deferred revenues of $10 million or more consist of the following (expressed in millions).

Revenue Source	General Fund	Enterprise Funds	University Funds
Taxes	$ 124.7	$ -	$ -
Land Leases	10.9	-	-
Federal Grants	5.5	-	-
Insurance Premiums	-	29.8	-
Student Services	-	-	32.8
Other	-	4.7	-
Total	$ 141.1	$ 34.5	$ 32.8

NOTE 3. (CONTINUED)

D. SALES AND CHARGES FOR SERVICES - OTHER

The total amount of sales and charges for services - other, of all Proprietary and Similar Trust Funds, for fiscal year end June 30, 1990 is $501.3 million. The following schedule summarizes sales and charges for services - other, over $10 million (expressed in millions).

Fund	Types of Sales and Charges for Services	Amount
State Compensation	Insurance premiums	$ 204.4
University Medical Center	Medical services	127.4
Risk Management	Insurance premiums	36.4
Transportation Equipment	Equipment and warehouse supplies	21.5
Land Endowments	Land Leases	17.3
Arizona Power Authority	Power sales	16.2
Workers' Compensation	Insurance premiums	11.2
Data Processing	Data processing	11.1
Telecommunications	Telecommunications	10.1

NOTE 4. GOVERNMENTAL RECEIVABLES/PAYABLES

A. GOVERNMENTAL RECEIVABLES

Due from U.S. Government in the General Fund of $22.4 million represents receivables from Federal Financial Assistance Programs. The amount of $23.3 million in the Special Revenue Funds consists principally of amounts due to the Arizona Department of Transportation for reimbursement of highway construction costs from the U.S. Department of Transportation.

B. GOVERNMENTAL PAYABLES

Due to Local Governments in the General Fund of $522.2 million, represents primarily education aid, income tax urban revenue sharing and sales tax collections ($100.0 million, $342.9 million and $67.8 million, respectively) that have not yet been remitted by the State to the respective local governments as of June 30, 1990.

NOTE 5. INTERFUND TRANSACTIONS

A. OPERATING TRANSFERS

Interfund transactions include temporary loans, billings for services and other obligations of one fund to another fund. Major operating transfers of $10 million or more, other than those involving Internal Service Fund operations, during the year ended June 30, 1990 included the following (expressed in millions).

NOTE 5. (CONTINUED)

Paying Fund	Receiving Fund	Amount
General	University	
	University of Arizona	$ 234.3
	Arizona State University	191.9
	Northern Arizona University	63.9
Enterprise Lottery	General	79.0
General	Expendable Trust Employee Benefit	57.6
Special Revenue ADOT	Debt Service ADOT	48.5
University	Expendable Trust Employee Benefit	28.4
Enterprise Industrial Commission	Special Revenue Industrial Commission Administration	11.8

Other interfund transactions included smaller operating transfers and quasi-external transactions, i.e., transactions for goods and services rendered for other funds primarily by Internal Service Funds.

B. DUE TO/DUE FROM

The following balances represent due to/from balances among funds and State agencies as of June 30, 1990 (expressed in thousands).

Fund Type/Fund	Due From	Due to
General Fund:		
General Operations	$ 23,927	$ 7,155
Federal Grants	2,640	1,623
Other Appropriations	65	11,929
Other Non-appropriations	847	153
Total General Fund	27,479	20,860
Special Revenue:		
State Highway	28,149	1,755
Highway Users	12,907	28,491
Game and Fish	47	49
State Aviation	-	24
Industrial Commission	-	1,831
Maricopa RARF	-	22
Other	1,775	15,860
Total Special Revenue Funds	42,878	48,032
Capital Projects:		
Other	812	64
Total Capital Project Funds	812	64
Enterprise:		
State Compensation	-	700
Industrial Commission	1,793	-
Lottery	-	1,302
Other	300	17
Total Enterprise Funds	2,093	2,019

NOTE 5. (CONTINUED)

Fund Type/Fund	Due From	Due to
Internal Service:		
Risk Management	284	207
Transportation Equipment	1,753	10
Workers' Compensation	724	-
Data Processing	3,168	20
Telecommunications	723	77
Motor Pool	1,155	46
Other	1,792	1,533
Total Internal Service Funds	9,599	1,893
Trust and Agency:		
Expendable Trust:		
Employee Benefit	196	5,802
Energy Conservation	156	110
Other	168	180
Total Expendable Trust Funds	520	6,092
Nonexpendable Trust:		
Land Endowment	4,159	4
Total Nonexpendable Trust	4,159	4
Agency:		
Local Government Investment Pool	5,914	-
Other	115	12,754
Total Agency Funds	6,029	12,754
Total Trust and Agency Funds	10,708	18,850
University Funds	18,594	20,445
Total Due From and Due To Other Funds	$ 112,163	$ 112,163

NOTE 6. FIXED ASSETS

A. CAPITALIZATION POLICY

Land, buildings and infrastructure are capitalized regardless of cost. Infrastructure consists of highways and structures (bridges, overpasses, underpasses, etc.). Improvements (other than buildings) with a project cost of $5,000 or more, and furniture, vehicles and equipment costing $1,000 or more are capitalized if they have useful lives longer than one year.

B. GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows (expressed in millions).

NOTE 6. (CONTINUED)

Asset	Restated Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Land	$ 46.2	$ 4.8	$ -	$ 51.0
Buildings and improvements	511.7	21.1	0.5	532.3
Other improvements	10.1	1.9	-	12.0
Furniture, vehicles and equipment	181.9	43.8	11.2	214.5
Subtotal	749.9	71.6	11.7	809.8
Infrastructure:				
Structures	587.9	62.9	-	650.8
Preliminary engineering	145.8	20.8	6.3	160.3
Utilities	21.1	-	-	21.1
Highways	1,406.2	188.9	24.5	1,570.6
Right of way	483.9	45.8	-	529.7
Other	168.5	40.7	-	209.2
Total Infrastructure	2,813.4	359.1	30.8	3,141.7
Construction in progress:				
Non-infrastructure	2.5	73.0	2.6	72.9
Infrastructure	794.0	414.6	305.7	902.9
Total Construction in progress	796.5	487.6	308.3	975.8
Total General Fixed Assets	$ 4,359.8	$ 918.3	$ 350.8	$ 4,927.3

Major construction projects included in Construction in Progress for fixed assets are summarized below (expressed in millions).

Project	Estimated Project Cost	Cost to Date	Remaining Cost to Complete
Prison Construction	$ 44.9	$ 29.5	$ 15.4
Universities	308.4	140.4	168.0
Total	$ 353.3	$ 169.9	$ 183.4

C. PROPRIETARY AND SIMILAR TRUST FUND FIXED ASSETS

The State is trustee for approximately 9.6 million acres of land acquired through U.S. Government land grants. The State acquired a substantial portion of this land at no cost to the State, and its fair market value has not been reliably estimated. Accordingly, this land is not reported on the accompanying financial statements.

NOTE 6. (CONTINUED)

The State holds land and other assets in trust for the benefit of its public schools and other public institutions. The trust requires the principal to be held intact with only interest and rentals of property distributed for current operations. Accordingly, certain revenues, including gains on the sale of property, are added to principal rather than distributed for current operations. In addition, the State Constitution provides that certain State revenue be added to the principal of the trust. In 1990, the trust distributed all monies eligible for distribution to aid the State's educational system.

A summary of Proprietary and Similar Trust Fund fixed assets from July 1, 1989 through June 30, 1990, follows (expressed in millions) except for State Compensation and the Social Service Contractors Indemnity Pool, a component of the Other Enterprise Funds, which is for January 1, 1989 through December 31, 1989.

Asset	Restated Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Land	$ 7.7	$ -	$ -	$ 7.7
Buildings and improvements	93.8	3.9	0.8	96.9
Other improvements	0.7	0.6	-	1.3
Furniture, vehicles and equipment	125.2	21.5	2.3	144.4
Subtotal	227.4	26.0	3.1	250.3
Construction in progress	2.9	1.1	-	4.0
State Compensation (All types)	47.9	1.4	-	49.3
Total	$ 278.2	$ 28.5	$ 3.1	$ 303.6

D. UNIVERSITY FIXED ASSETS

A summary of changes in University fixed assets follows (expressed in millions).

Asset	Restated Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Land	$ 93.4	$ 1.9	$ 3.9	$ 91.4
Buildings and improvements	845.5	124.2	1.9	967.8
Other improvements	19.5	2.4	-	21.9
Furniture, vehicles and equipment	551.0	91.1	17.1	625.0
Subtotal	1,509.4	219.6	22.9	1,706.1
Construction in progress	130.4	39.7	29.7	140.4
Total	$ 1,639.8	$ 259.3	$ 52.6	$ 1,846.5

NOTE 6. (CONTINUED)

E. DEPRECIATION

Using the straight-line method, depreciation is provided over the estimated useful lives of assets. Depreciation is charged against operations in the Proprietary, Non-Expendable Trust, and Pension Trust Funds.

NOTE 7. EMPLOYEE BENEFITS

A. COMPENSATED ABSENCES

1. Annual Leave

In general, State employees accrue vested annual leave at a variable rate based on years of service. An employee forfeits accumulated annual leave in excess of 240 hours at the end of a calendar year, unless the Director of the Department of Administration authorizes an exception. An employee who separates from State service is paid for all unused and unforfeited annual leave at the employee's rate of pay at the time of separation.

2. Compensatory Leave

Some employees accumulate compensatory leave for time worked over 40 hours per week. Compensatory leave is treated like annual leave except that the employee must use any compensatory leave before using annual leave.

B. SICK LEAVE

Sick leave includes any approved period of paid absence granted an employee due to illness, injury or disability. Most State employees accrue sick leave at the rate of eight hours per month without an accumulation limit. With minor exceptions, sick leave credits are forfeited upon separation. If more than 1000 hours are accumulated upon retirement, the retiree will receive $750 as a bonus. (See Note 14.)

C. DEFERRED COMPENSATION PLAN

The State of Arizona Deferred Compensation Plan for State Employees (the Plan), established in accordance with section 457 of the Internal Revenue Code, allows employees to contribute to the Plan an amount not to exceed the lesser of $7,500 or one-third of the employee's gross income. Employee contributions are deferred for income tax purposes until benefits are paid to the employees. Revenue sources are voluntary payroll deductions from employees and earnings on investments made therefrom. The State does not make any contributions to the Plan.

The State has stewardship responsibility under the terms of the Plan. Plan assets are the sole property of the State subject to claims of State creditors. The rights of the employees or their beneficiaries are equivalent to that of a general creditor. Employees may withdraw the value of their Plan account upon termination of employment, retirement, death, disability or financial hardship. Employees may select from various annuity options.

The State appointed an independent administrator for the Plan. Participants direct the administrator to invest their accounts among various investment options. The administrator receives commissions from the investment of participant contributions.

NOTE 7. (CONTINUED)

As of June 30, 1990, assets invested on behalf of the participants and available for Plan benefits totaled $104.6 million. This amount is reported at market value in an Agency Fund.

D. SOCIAL SECURITY PARTICIPATION COSTS

As an employer, the State participates in Social Security. In accordance with the terms of the Social Security program, the State matched the employee payment of 7.65% of up to $48,000 and $51,300 in employee earnings in calendar years 1989 and 1990, respectively. The total Social Security participation costs to the State for fiscal year 1989-90 were $89.0 million.

NOTE 8. RETIREMENT PLANS

A. PLAN DESCRIPTIONS

The State maintains three cost-sharing and one agent, multiple-employer retirement systems: the Arizona State Retirement System (ASRS), the Public Safety Personnel Retirement System (PSPRS), the Elected Official Retirement Plan (EORP), and the Corrections Officers Retirement Plan (CORP). The systems publish their own Component Unit Financial Reports containing historical trend and other data to provide information on progress made in accumulating sufficient assets to pay benefits when due.

The systems provide retirement, death, and disability benefits to State employees, public school employees, and employees of counties, municipalities, and certain other State political subdivisions.

The number of participating local government employers as of June 30, 1990 are shown below.

EMPLOYER	ASRS	PSPRS	EORP	CORP
Cities and towns	54	98	8	-
Counties	14	15	15	10
State	1	1	1	1
Special districts	10	-	-	-
School districts	212	-	-	-
Community college districts	9	-	-	-
Other	-	11	-	-

The number of members and benefit recipients of the retirement systems as of June 30, 1990 are shown below.

	ASRS	PSPRS	EORP	CORP
Retirees and beneficiaries currently receiving benefits and inactive or terminated employees entitled to receive benefits but not yet receiving them	52,205	2,771	430	115
Current employees:				
Vested	63,257	4,686	378	624
Nonvested	66,444	5,439	246	5,854

NOTE 8. (CONTINUED)

B. FUNDING AND BENEFIT POLICIES

The Arizona State Legislature prescribes requirements relating to membership, benefits, and employee/employer contribution requirements for each system. The following summarizes those requirements.

ASRS is a cost-sharing multiple-employer pension system that benefits employees of public schools, the State and its political subdivisions. Membership is required as a condition of employment. Both employers and employees must contribute. Benefits vest after five years of service. Members retiring at age 65, or at age 62 with ten years of total credited service, or when age plus total credited service equals 82, receive retirement benefits. The benefit is the product of two percent of the participant's highest 36-month average compensation (in the last 120 months of employment) multiplied by years of total credited service.

PSPRS is an agent multiple-employer pension system that benefits fire fighters and police officers employed by the State and its political subdivisions. Membership is required as a condition of employment. Both employers and employees must contribute. Members retiring at age 62 with 15 years service, or at any age with 20 or more years service, receive benefits. Retirees with 15 years credited service receive 30% of their average compensation during the three years, out of their last ten, when their compensation was highest. For each additional year of service, up to 20 years, the retiree receives an additional four percent of average compensation so that a retiree with 20 years of service receives 50% of average compensation. A retiree with more than 20 years of service, but less than 25 years receives 50% of average compensation plus two percent of average compensation for each year of service over 20. A retiree with 25 or more years of service receives 50% of average compensation plus two and one-half percent of average compensation for each year of service beyond 20 years provided the retirement benefit does not exceed 80% of average compensation. Members with ten years service may also vest certain benefits provided they do not withdraw their contributions prior to attaining age 62.

EORP is a cost-sharing multiple-employer pension system that benefits all elected State and county officials and judges (except La Paz County elected officials), and certain elected city officials. Membership is required as a condition of employment. Both employers and employees must contribute. Benefits vest after five years of credited service. Vested members retiring at age 60 with 25 years or more of credited service, or at age 62 with ten or more years of credited service, or at age 65 with five years or more of credited service receive benefits. The benefit is four percent of the member's final annual salary multiplied by the years of the member's credited service. The maximum is 80% of a member's final salary.

CORP is a cost-sharing multiple-employer pension system that benefits county detention officers and certain employees of the State Department of Corrections. Membership is required as a condition of employment. Both employers and employees must contribute. Benefits vest after ten years of credited service. Vested members retiring with 25 years of credited service, or at age 62 with ten years of credited service receive annual benefits. The benefit is two percent of the member's average monthly salary multiplied by the member's years of credited service. The amount of a member's pension shall not exceed 75% of the member's average monthly salary.

NOTE 8. (CONTINUED)

C. FUNDING STATUS AND PROGRESS

The Pension Benefit Obligation (PBO) is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The PBO is the actuarial present value of credited projected benefits and is intended to: (1) help users assess the plans' funding status on a going-concern basis, (2) assess progress being made in accumulating sufficient assets to pay benefits when due, and (3) allow for comparisons among public employee retirement plans. The PBO is independent of the actuarial funding method used to determine contributions to the plan.

Significant actuarial assumptions used to compute the PBO at June 30, 1990 are summarized below.

	ASRS	PSPRS	EORP	CORP
Annual interest rate (compounded annually)	8.0%	9.0%	9.0%	9.0%
Inflation and other factors	5.5%	6.5%	7.0%	5.5%
Merit or seniority increases	0%-2.25%	0%-3.0%	none	0.1-0.3%
Post-retirement benefit increases	none	none	none	none

The total PBO and net assets available to meet the obligation for each system at June 30, 1990 are summarized below (expressed in millions).

	ASRS	PSPRS	EORP	CORP
Net assets available for benefits, at cost or amortized cost	$ 7,288	$ 1,298	$ 92	$ 109
Pension benefit obligation--				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	2,675	422	39	8
Current employees:				
Accumulated employee contributions including allocated investment income	1,513	204	10	38
Employer financed-vested	1,802	504	41	23
Employer financed-non-vested	650	67	3	26
Health Insurance	-	29	1	5
Total pension benefit obligation	6,640	1,226	94	100
Net assets in excess of (unfunded) pension benefit obligation	$ 648	$ 72	$ (2)	$ 9
Net assets available for benefits, at market	$ 7,834	$ 1,453	$ 107	$ 115

NOTE 8. (CONTINUED)

Estimated increases in the PBO of June 30, 1990 resulting from changes (expressed in millions) are as follows.

	ASRS	PSPRS	EORP	CORP
Assumption changes	$ 262	$ 121	$ 9	$ 13
Benefit provision changes and ad hoc increase for retirees and beneficiaries	-	8	-	6
Health Insurance	-	29	-	-

D. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The systems' consulting actuaries determine employer contributions. The systems use the projected benefit method with entry age normal cost for this purpose. In determining funding requirements, the actuary uses the same actuarial assumptions as those used to calculate the pension benefit obligation. At June 30, 1990, the remaining unfunded accrued liability liquidation period in years were as follows.

ASRS	PSPRS	EORP	CORP
12	28	32	39

Actual contributions (expressed in millions) for the fiscal year ended June 30, 1990 were as follows.

	Employer Contributions	% of Covered Payroll	Employee Contributions	% of Covered Payroll
ASRS	$ 64.4	2.0	$ 64.4	2.0
PSPRS	26.7	8.3	28.0	8.7
EORP	3.0	12.4	2.0	8.3
CORP	8.3	6.2	8.0	5.9

E. TREND INFORMATION

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal years ended June 30, 1988, 1989 and 1990 follows.

	ASRS	PSPRS	EORP	CORP
Net assets available for benefits as a percentage of the pension benefit obligation:				
June 30, 1990	109.8%	105.8%	98.4%	109.2%
June 30, 1989	110.6%	108.9%	99.5%	109.9%
June 30, 1988	111.1%	109.8%	103.1%	113.4%
Excess (unfunded) pension benefit obligation as a percentage of annual covered payroll:				
June 30, 1990	20.2%	19.2%	(5.8)%	6.7%
June 30, 1989	21.2%	27.6%	(1.9)%	6.0%
June 30, 1988	21.2%	28.9%	10.2%	7.1%
Employer contributions as a percentage of annual covered payroll:				
June 30, 1990	2.0%	8.3%	12.4%	6.2%
June 30, 1989	5.2%	8.8%	12.4%	6.7%
June 30, 1988	4.0%	9.0%	13.2%	6.6%

NOTE 8. (CONTINUED)

The Arizona Legislature pre-empted the actuarially computed contribution amount for the ASRS for the year ended June 30, 1990 by passing a law which set the rate at two percent for employers and employees. The actual contribution amounts made for the year ended June 30, 1990 were $128.9 million ($64.45 million each for employers' and employees' portions). The actuarial computed contribution amounts for the year ended June 30, 1990 were $302.2 million ($151.1 million each for employers' and employees' portions). The State's contributions to the ASRS met the actuarially determined requirements for fiscal year end June 30, 1989. The legislature pre-empted the actuarial computed contribution amount for the ASRS for the year ended June 30, 1988. The actual contributions made for the year ended June 30, 1988 were $226.0 million ($113.0 million each for employers' and employees' portions). The actuarial computed contribution amounts for the year ended June 30, 1988 were $291.4 million ($145.7 million each for employers' and employees' portions).

The State's contributions to the PSPRS, EORP, and CORP met the actuarially determined requirements for the fiscal years ended June 30, 1988, 1989 and 1990.

F. UNIVERSITIES DEFINED CONTRIBUTION PLANS

Eligible Faculty, Academic Professionals and Administrators at the three University's may select one of three retirement plans: Arizona State Retirement System, as discussed above, Teachers Insurance and Annuity Association/College Retirement Equity Fund (TIAA/CREF), and Valic Retirement Plan. The former is a defined benefit plan and the latter two are defined contribution plans. Eligible Classified Staff belong to the Arizona State Retirement System. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. State statue requires that both the employee and the University contribute an amount equal to seven percent of the employee's base salary.

The three University's (Arizona State University, Northern Arizona University, and University of Arizona) total payroll in fiscal year 1990 was $593.7 million. The university's contributions were calculated using the base salary amount of $167.6 million for those employees who selected the TIAA/CREF Retirement Plan and $26.1 million for those employees who selected the Valic Retirement Plan. Both the University and the covered employees made the required seven percent contribution. For the TIAA/CREF Retirement Plan each source contributed $11.7 million for a total of $23.4 million. For the Valic Retirement Plan each source contributed $1.8 million for a total of $3.6 million.

NOTE 9. OBLIGATIONS UNDER LEASES AND INSTALLMENT PURCHASES

A. LEASES

The total operating lease expenditures for the fiscal year-ended June 30, 1990 were $20.9 million.

The future minimum leases payments for long-term operating leases as of June 30, 1990 are summarized below (expressed in millions).

NOTE 9. (CONTINUED)

Fiscal Year	Governmental Funds	Proprietary Funds	University
1991	$ 6.0	$ 1.5	$ 1.4
1992	5.0	1.3	1.4
1993	3.6	1.1	0.7
1994	1.5	1.0	0.5
1995	1.0	0.3	0.2
Thereafter	2.3	-	0.8
Total Future Minimum Payments	$ 19.4	$ 5.2	$ 5.0

Many operating leases are for buildings and land leased by State agencies. Although these leases are considered to be long-term, they are cancellable under certain circumstances.

- An agency must be able to cancel the lease if the funds are not appropriated to cover the lease expenditures.
- If an agency is ordered to move into State-owned property and a 60-day notice is given, the lease can be cancelled without penalty.
- In situations where the use of the leased property is dependent on the use of Federal monies, the lease must be cancellable in the event Federal funds are no longer available.

The future minimum lease payments for long-term capital leases as of June 30, 1990 are summarized below (expressed in millions).

Fiscal Year	General Long-Term Debt Account Group	Proprietary Funds	University Funds
1991	$ 2.8	$ 0.5	$ 2.0
1992	1.4	0.2	1.8
1993	0.6	0.1	1.0
1994	0.4	-	0.8
1995	0.4	-	0.8
Thereafter	-	-	8.2
Total Future Minimum Payments	5.6	0.8	14.6
Less: Interest and Executory Costs	0.6	-	5.3
Net Liability at June 30, 1990	$ 5.0	$ 0.8	$ 9.3

B. INSTALLMENT PURCHASES

The State has installment purchase contracts payable for acquisitions of computer and other equipment. Installment purchases for the Governmental Funds are reported in the General Long-Term Debt Account Group and the related assets are reported in the General Fixed Assets Account Group. Installment purchases for the Proprietary and University Funds are reported in those funds as a long-term obligation, together with the related assets.

NOTE 9. (CONTINUED)

A summary of installment purchase payments required in future years follows (expressed in millions).

Fiscal Year	General Long-Term Debt Account Group	Proprietary Funds	University Funds
1991	$ 3.1	$ 4.9	$ 3.6
1992	2.8	4.7	3.9
1993	2.2	4.0	2.7
1994	1.3	1.3	1.9
1995	1.0	1.1	0.9
Thereafter	0.2	3.6	2.3
Total	10.6	19.6	15.3
Less: Interest and Executory Costs	1.5	3.4	3.6
Net Liability at June 30, 1990	$ 9.1	$ 16.2	$ 11.7

C. SUMMARY OF CHANGES

A summary of the changes in capital leases and installment purchase obligations follows (expressed in millions).

	Restated Balance July 1, 1989	New Contracts	Principal Reduction	Balance June 30, 1990
General Long-Term Debt Account Group	$ 10.5	$ 9.5	$ 5.9	$ 14.1
Proprietary Funds	13.5	6.4	2.9	17.0
University Funds	25.9	0.3	5.2	21.0
Total	$ 49.9	$ 16.2	$ 14.0	$ 52.1

NOTE 10. REVENUE BONDS

A. DEPARTMENT OF TRANSPORTATION

The Department of Transportation (DOT) issued Highway Improvement Bonds in 1980, and Highway Revenue Bonds in 1982, 1986 and 1987. These bonds are secured by a prior lien on, and a first pledge of, motor vehicle and related fuel fees and taxes of the State Highway Fund.

DOT also issued Series A Transportation Excise Tax Revenue Bonds in 1986, 1987, 1988, and 1989. These bonds are secured by transportation excise taxes collected by the Department of Revenue on behalf of Maricopa County and held in trust by the State Treasurer.

The 1980 State of Arizona Highway Improvement Bonds are subject to redemption prior to their maturity dates on any interest payment date in inverse order of maturity. The bonds may be redeemed by payment of all principal and accrued interest plus an amount equal to 0.25% of the principal amount for each six-month period elapsing between the date of redemption and the stated maturity date, not to exceed 2.5%.

NOTE 10. (CONTINUED)

The 1982, 1986 and 1987 State of Arizona Highway Revenue Bonds are subject to redemption prior to their maturity dates on July 1, 1991, 1996 and 1997, respectively, or on any interest payment date thereafter. The bonds may be redeemed in inverse order of maturity for the 1982 bonds, and in any order for the 1986 and 1987 bonds, at redemption prices ranging from 100 percent to 103 percent of principal, plus accrued interest to the date fixed for redemption.

The 1986 and 1987 Series A State of Arizona Transportation Excise Tax Revenue Bonds maturing on or after July 1, 1997, and 1998, respectively, are subject to redemption prior to their maturity dates on or after July 1, 1997. The bonds may be redeemed in any order for the 1986 bonds and in inverse order of maturity (in random order within a maturity) for the 1987 bonds, at redemption prices ranging from 100 percent to 102 percent of principal, plus accrued interest to the date fixed for redemption.

The 1988 Series A Current Interest Bonds maturing July 1, 2002 through July 1, 2005 are callable for redemption prior to their stated maturity dates on or after July 1, 1998. The bonds may be redeemed in any order of maturity at redemption prices ranging from 100 percent to 102 percent of principal, plus accrued interest at the date fixed for redemption. The 1988 Series A Capital Appreciation Bonds maturing July 1, 2002 through July 1, 2005 are not subject to redemption prior to maturity.

The 1989 Series A Bonds maturing on and after July 1, 2000 are callable for optional redemption prior to their stated maturity dates at the election of the Transportation Board on or after July 1, 1999, in whole or in part. The bonds may be redeemed in any order of maturity determined by the Transportation Board (in random order within a maturity) at redemption prices ranging from 100 percent to 102 percent of principal plus accrued interest to the date fixed for redemption. The 1989 Series A Bond include $126.5 million of term bonds maturing on July 1, 2005 which are subject to mandatory sinking fund redemption in 2002 to 2005.

As of June 30, 1990, the principal balance of defeased, refunded bonds is $100.2 million, which accordingly is not included as a liability in the accompanying financial statements.

B. ARIZONA POWER AUTHORITY

The Arizona Power Authority issued Revenue Bonds in 1985, to obtain funding for the Hoover Uprating Project. Through a secondary offering, the bonds were converted to fixed rate bonds in April 1987 after execution of power contracts with new power allottees.

C. COLISEUM AND EXPOSITION CENTER

Coliseum and Exposition Center Revenue Bonds, Project of 1964, were issued to provide funds for constructing and equipping the Veterans' Memorial Coliseum in Phoenix. Interest and principal requirements of the bond issue are secured by net revenues from Coliseum operations and pari-mutuel racing receipts.

D. UNIVERSITY MEDICAL CENTER

The University Medical Center issued Hospital Revenue Bonds in 1986 and 1987 to retire past debt and for building improvement, equipment purchases and construction of a parking facility. The bonds are secured by University Medical Center gross revenues.

NOTE 10. (CONTINUED)

E. UNIVERSITIES

1. University of Arizona

On February 14, 1990, the University sold $46.3 million of System Revenue Bonds, Series of 1990A under the Series 1990A Resolution. The $46.3 million was put in trust for the 1990A construction projects.

Principal and interest on bonds outstanding at June 30, 1990 are collateralized by registration fees, tuition, rentals and other charges and such obligations are generally callable by the University.

Cash and securities on deposit with trustees, restricted for retirement of indebtedness and renewals and replacements, are $10.4 and $0.6 million respectively, at June 30 1990, as required by the bond indentures. Also, $61.3 million was held by trustees for payment of future construction costs. The University has recorded a liability of $0.7 million for potential arbitrage rebates to the Federal Government. The rebate is calculated on earnings from the temporary investment of construction proceeds in excess of the interest yield limitation on each bond issue issued after 1986.

In 1977, 1983, and 1986 the University refunded in advance of maturity certain outstanding revenue bonds. At June 30, 1990 the outstanding principal balance of the refunded bonds was $39.4 million which will be paid by investments held in trust with a par value of $41.1 million. These amounts are not included in the accompanying financial statements.

In 1990 the University defeased in advance of maturity the 1977 system revenue refunding bonds and accordingly, the liability for such bonds has been removed from the accompanying financial statements. At June 30, 1990 the outstanding principal balance of these bonds was $22.3 million which will be paid by investments held in trust with a par value of $14.2 million. These amounts are not included in the accompanying financial statements. A gain of $3.8 million, which was calculated as the difference between the carrying value plus accrued interest on securities in trust and the current outstanding principal balance of the bonds, is reported in the financial statements as "Other Additions" in the Investment Plant fund of the Statement of Changes in Fund Balances.

2. Northern Arizona University

In February 1990 the University sold $2.7 million of system revenue bonds at an average interest rate of 6.59 percent. Proceeds from the bonds, together with other available bonds proceeds, will be used to construct an addition to the Cline Library.

In April 1990 the University deposited cash and investments in U.S. government securities accumulated in the sinking fund of the system refunding revenue bonds, Series of 1977, in an irrevocable trust with an escrow agent to provide for all future debt service payments on the system refunding revenue bonds, Series of 1977. As a result, the bonds are considered to be defeased, and the liability for those bonds is not included in the financial statements. At June 30, 1990, the principal balance of the system refunding revenue bonds, Series of 1977, still outstanding was $9.0 million.

In prior years, the University defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements. At June 30, 1990, $15.8 million of bonds outstanding are considered defeased.

NOTE 10. (CONTINUED)

3. Arizona State University

In November 1989, the University sold $56.9 million of system revenue bonds for the financing of seven academic facility projects.

In December 1985, certain bonds of the University (all system improvement and refunding revenue bonds) were in substance defeased through an advance refunding by depositing sufficient U.S. government securities to pay all future debt service in irrevocable trusts. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the University's financial statements. The principal amount of refunded bonds outstanding at June 30, 1990 is $50.1 million.

The University's bonds payable consist of housing revenue bonds and system revenue bonds. The housing revenue bonds are payable form housing revenues as defined in the bond indentures. The 1985 system revenue refunding bonds, and the 1986, 1986A, 1988 and 1989 system revenue bonds, are payable from tuition and fees, certain auxiliary enterprises revenues and certain other revenues as defined in the bond indentures.

Securities and cash restricted for bond retirement funds and maintenance and replacement reserves held by trustee at June 30, 1990 totaled $19.2 million.

F. SUMMARY OF REVENUE BONDS

The following schedule summarizes revenue bonds outstanding at June 30, 1990 (expressed in millions).

Revenue Bonds Outstanding	Dates Issued	Maturity Dates	Interest Rates	Amount Authorized	Amount Issued	Outstanding Balance at June 30, 1990
Department of Transportation	1980-1989	1986-2005	4.3-11.0%	$ 1,393.3	$1,293.3	$ 1,135.0
1987 Arizona Power Authority	1987	1993-2017	5.4-7.2%	98.4	98.4	89.8
1964 Coliseum and Exposition Center	1964	1994	4.375%	7.2	6.9	2.0
University Medical Center	1986-1987	1990-2016	7.8%	27.0	27.0	26.7
University Revenue Bonds	1953-1990	1990-2019	2.75-9.9%	627.6	625.9	504.7

Future debt service principal payments on revenue bond issues for fiscal years ended June 30 are summarized below (expressed in millions).

	Principal					
Fiscal Year	ADOT	Arizona Power Authority	Coliseum and Exposition	University Medical Center	Universities	Total Principal
1991	$ 59.2	$ -	$ 0.4	$ 0.4	$ 9.9	$ 69.9
1992	62.8	-	0.4	0.4	11.5	75.1
1993	66.7	0.8	1.2	0.4	13.4	82.5
1994	70.8	0.9	-	0.4	14.5	86.6
1995	73.3	1.0	-	0.5	15.6	90.4
Thereafter	802.2	87.1	-	24.6	439.8	1,353.7
Total	$1,135.0	$ 89.8	$ 2.0	$ 26.7	$ 504.7	$ 1,758.2

NOTE 10. (CONTINUED)

Principal and interest debt service payments on revenue bonds outstanding at June 30, 1990 are as follows (expressed in millions).

Fiscal Year	Annual Debt Service Total Principal	 Total Interest	 Total Amount Required
1991	$ 69.9	$ 118.2	$ 188.1
1992	75.1	119.9	195.0
1993	82.5	114.0	196.5
1994	86.6	108.7	195.3
1995	90.4	102.9	193.3
Thereafter	1,353.7	746.1	2,099.8
Total	$ 1,758.2	$1,309.8	$ 3,068.0

Changes in Revenue Bonds for Fiscal Year 1990 are summarized below (expressed in millions).

Balance at July 1, 1989	$ 1,388.4
New Bonds Issued	465.9
Bonds Retired	96.1
Balance at June 30, 1990	$ 1,758.2

NOTE 11. CERTIFICATES OF PARTICIPATION

The State has issued Certificates of Participation (COPs) to finance construction or improvements of office buildings which are primarily leased to State agencies. The COPs mature serially at six-month intervals. The State has no legal obligation for payment of principal and interest. The State lease payments are made to a trustee, subject to and dependent upon yearly appropriations by the Legislature.

The State is recording the COPs at the outstanding balance less cash with trustee except for the Universities and the Industrial Commission which are recorded at the outstanding balance. The cash with trustee includes $2.5 million to complete construction under the Arizona Game and Fish COP and $40.3 million to complete the construction under the Arizona Municipal Financing Program (AMFP) COP and the remainder as a reserve for the other COPs as well as AMFP and Game and Fish.

Capitalized interest costs include interest incurred during the construction of an asset.

The 1985 COPs for the Industrial Commission were issued to refund the 1984 certificates. The refunded amount was $17.5 million. This amount has been paid and is not included in the outstanding amounts.

A summary of the COPs issued as of June 30, 1990, is as follows (expressed in millions).

NOTE 11. (CONTINUED)

Project	Issue Date	Maturity Dates	Interest Rates
Arizona State University:			
Telecommunications	1985	1993	5.9 - 8.9%
West Campus	1989	2009	7.0 - 7.75%
Industrial Commission Special Fund	1985	2005	Varies-Approx. 5.2%
Department of Revenue/ Department of Economic Security	1986	1988-2008	5.5 - 7.5%
Capital Centre	1986	1987-2007	4.75 - 6.75%
Arizona Municipal Financing Program *	1988	1989-2010	5.8 - 7.7%
Game and Fish	1989	1990-2010	5.8 - 7.0%
University of Arizona:			
Telecommunications	1989	2003	6.1 - 7.6%

Project	Amount Authorized and Issued	Outstanding Balance	Cash with Trustee	Net COP Liability
Arizona State University:				
Telecommunications	$ 9.9	$ 6.4	$ 1.5	$ 4.9
West Campus	55.4	55.4	31.1	24.3
Industrial Commission Special Fund	17.5	17.0	2.8	14.2
Department of Revenue/ Department of Economic Security	28.4	26.5	4.3	22.2
Capital Centre	20.8	19.4	2.1	17.3
Arizona Municipal Financing Program *	121.8	121.7	61.4	60.3
Game and Fish	12.2	11.9	3.8	8.1
University of Arizona:				
Telecommunications	27.6	27.6	7.5	20.1
Total	293.6	285.9	114.5	171.4

* The Arizona Municipal Financing Program COPs were issued to finance the construction of the Supreme Court building, DES-West building, parking garages, and other various buildings and facilities.

Principal and interest debt service requirements on COPs outstanding at June 30, 1990 are as follows (expressed in millions).

	Annual Debt Service		
Fiscal Year	Total Principal	Total Interest	Total Amount Required
1991	$ 6.7	$ 20.3	$ 27.0
1992	9.4	19.8	29.2
1993	10.1	19.1	29.2
1994	11.6	18.4	30.0
1995	9.3	17.6	26.9
Thereafter	238.8	156.6	395.4
Total	285.9	251.8	537.7

NOTE 11. (CONTINUED)

Changes in COPs for Fiscal Year 1990 are summarized below (expressed in millions).

Balance as Restated July 1, 1989	$ 249.2
New COPs Issued	39.8
COPs Retired	(3.1)
Balance at June 30, 1990	$ 285.9

NOTE 12. FUND BALANCE/RETAINED EARNINGS

A. FUND EQUITY RESTATEMENT

Fund Equity at June 30, 1989 has been restated as follows (expressed in thousands):

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Fund Balance/Retained Earnings at June 30, 1989 as Previously Reported	$ (83,953)	$ 410,591	$ 15,061	$ 159,402
Reclassifications	-	-	-	-
Provision for Dividends	-	-	-	-
Tax Accounting Policy Change	(159,826)	(4,557)	-	-
Prior Year Adjustments:				
Prior Year Expenditures	(37)	-	-	-
Receivables Overstatement	(4,354)	-	-	-
Revenue Recording Error	(11,273)	-	-	-
Fund Balance/Retained Earnings as Restated at July 1, 1989	$ (259,443)	$ 406,034	$ 15,061	$ 159,402

1. Reclassification

Accounting and reporting treatment applied to a fund is determined by its measurement focus. The Social Service Contractors Indemnity Pool Fund has been reclassified from an Agency Fund to an Enterprise Fund to reflect the proper measurement focus. This resulted in $958,000 being reclassified to the Enterprise Funds. Fiscal year 1989 comparative amounts have been restated for fiscal year 1990 fund reclassification.

2. Provision for Dividends

The State Compensation Fund's Board of Directors made a provision for dividends to policyholders of $30 million based on the Fund's overall billing experience. The State Compensation Fund's actual cash outlay for dividends was $31.2 million for the fiscal year ended December 31, 1989.

NOTE 12. (CONTINUED)

Enterprise	Internal Service	Trust	University	Total (Memorandum Only)
$ 219,508	$ (94,745)	$ 9,039,089	$ 1,478,977	$ 11,143,930
958	-	-	-	958
(30,000)	-	-	-	(30,000)
-	-	-	-	(164,383)
-	-	-	-	(37)
-	-	-	-	(4,354)
-	-	-	-	(11,273)
$ 190,466	$ (94,745)	$ 9,039,089	$ 1,478,977	$ 10,934,841

3. Tax Accounting Policy Change

For fiscal year 1989, receivables for income, property, and estate taxes were recognized when the taxpayer earned income or owned property, without regard to the tax demand date or cash collections. Liabilities relating to tax litigation and urban revenue sharing were recognized in a manner consistent with fiscal year 1989 property and income tax receivable amounts.

For fiscal year 1990, receivables for income, property, and estate taxes were recognized when the tax has been demanded by year-end and payment has been received within 31 days of the end of the fiscal year. The method used to account for taxes in fiscal year 1990 is preferable to the 1989 fiscal year method in that it meets the "measurable and available" criteria of current GAAP.

The effect of the accounting change on fund equity at June 30, 1989 as previously reported is a $159.8 million reduction for the General Fund and a $4.6 million reduction for the Special Revenue Funds.

NOTE 12. (CONTINUED)

4. Prior Year Adjustments

Fund Equity of the General Fund at June 30, 1989 as previously reported has been restated due to adjustments to prior periods as follows:

a. Prior Year Expenditures

Risk Management insurance claims and receipts recorded in the Internal Service Funds have also been recorded in the General Fund for select agencies supported by General Fund appropriations. The double counting of Risk Management activity has been eliminated for fiscal year 1990 causing a reduction of $37,000 in fund balance as previously reported.

b. Receivables Overstatement

The following receivables were over (under)stated at June 30, 1989 causing a change in fund balance as previously reported (in thousands):

	Fund Balance Increase (Decrease)
Navajo County Loan	$ (2,825)
Insurance Premium Taxes	(25,483)
Interfund Receivable	23,954
Net Reduction of Fund Balance as Previously Reported	$ (4,354)

c. Revenue Recording Error

The fiscal year 1989 fund balance in the General Fund, as previously reported, was overstated by $11.3 million due to an error in the recording of revenue.

5. Changes in Contributed Capital

The following transactions occurred in fiscal year 1990 which increased (decreased) contributed capital amounts of the proprietary funds (expressed in thousands):

	Increase (Decrease)
State Highway Fund transfer to the Highway Magazine Fund	$ 2,000
Arizona Correctional Industries transfer of land and buildings to the Department of Corrections General Fund operations	$ (191)
State Highway Fund transfer to the Transportation Equipment Fund	$ 407
Transfer of automobiles into the Department of Administration's Motor Pool	$ 447

B. FUND BALANCE/RETAINED EARNINGS DETAIL

The following schedule details fund balances at June 30, 1990 (expressed in millions).

STATE OF ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 12. (CONTINUED)

	Governmental Fund Types				Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Trust	University
Fund Balance:						
Appropriated:						
Reserved for:						
Unclaimed property	$ 40.2	$ –	$ –	$ –	$ –	$ –
Retirement benefits	–	–	–	–	8,795.5	–
Trust principal	–	–	–	–	1,145.4	–
Continuing appropriations	155.2	243.2	–	23.1	–	–
Debt service	–	–	28.0	–	–	–
Other	3.1	0.1	–	–	–	–
Unreserved:						
Restricted	–	–	–	–	–	138.9
Unrestricted:						
Designated	–	–	–	–	–	100.5
Undesignated	(550.4)	189.0	–	8.5	–	–
Non-Appropriated:	10.3	–	–	–	–	–
Total Fund Balance	$(341.6)	$ 432.3	$ 28.0	$ 31.6	$9,940.9	$ 239.4

Restricted fund balance for University Funds represents restrictions for U.S. Government grants refundable, endowments, quasi-endowments, restrictions for outstanding purchase orders, and other restrictions of $28.8, $34.5, $14.4, $8.9, and $52.3 respectively (amounts expressed in millions).

Designated fund balance for University Funds represents designations for outstanding purchase orders and other commitments, quasi-endowments, summer sessions, funding of ensuing years budget, and other designations of $15.3, $18.4, $4.1, $0.1, and $62.6 respectively (amounts expressed in millions).

Total retained earnings for Enterprise Funds include reservations for Arizona Power Authority, University Medical Center, and Library and Archives of $5.9, $0.6, and $0.1 respectively (amounts expressed in millions).

C. DEFICIT FUND EQUITY

Funds with deficit equity balances at June 30, 1990 were as follows (expressed in millions).

Fund	Amount of Deficit
General Fund	$ 341.6
Internal Service Funds	101.6

The deficit in the General Fund of $341.6 million was caused by: 1) expenditures, including urban revenue sharing and basic state aid to education exceeding revenues and fund balance determined under the modified accrual basis of accounting; 2) AHCCCS accrued medical costs which will not be paid until the following fiscal year. This condition is likely to continue throughout the existence of the AHCCCS program.

NOTE 12. (CONTINUED)

The Internal Service Fund deficit results from the Risk Management and Workers' Compensation Funds net losses in prior years. The Risk Management and Workers' Compensation Fund deficits of $100.6 and $47.9 million respectively, are primarily due to the State's policy of funding 60% of the actuarially determined liability. However, 100% of the liability is recorded for financial statement purposes. The Risk Management and Workers' Compensation accumulated deficits at June 30, 1990 should be recovered through annual adjustments to insurance billings. The entire liability is reflected in the Internal Service Funds, rather than being allocated to other funds, to assist financial statement users in their understanding and analysis of the Risk Management and Workers' Compensation Funds.

D. BUDGET TO GAAP RECONCILIATION

The following Revenue and Expenditure Accrual Adjustments are GAAP revenue and expenditure activity for FYE 1990 not included in the Combined Statement of Revenue and Expenditures - Appropriation (Budget) to Actual.

The accompanying "Combined Statement of Revenues and Expenditures - Appropriation (Budget) to Actual - Budgetary Basis - General, Special Revenue and Capital Projects Funds" presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since the budgetary and GAAP presentations of actual data differ, a reconciliation of the two is presented below (expressed in thousands):

	General Fund Actual	Special Revenue Fund Actual	Capital Projects Funds Actual
Budgetary Statement Revenue and Other Sources Over (Under) Expenditures and Other Uses for FYE 1990	$ 94,207	$ 100,229	$ (6,130)
Unbudgeted/Appropriated Fund Balance at July 1, 1989:			
General Operations	1,163	(393,694)	40,737
Other	1,133	-	-
Restatement of Budgetary Fund Balance	(8,733)	(4,021)	(2,500)
Administrative Adjustments	(24)	(638)	(27)
Unreserved Fund Balance at July 1, 1989	(6,461)	(398,353)	38,210
Increase in Budgetary Continuing Appropriations during FYE 1990	-	216,297	-
Decrease in Revolving Funds	-	21	-
Unbudgeted/Appropriated Fund Balance at June 30, 1990:			
General Operations	34,397	(81,806)	32,080
Other	53,349	-	-
Unreserved Fund Balance at June 30, 1990	87,746	(81,806)	32,080
Non-Appropriated Unreserved Budgetary Fund Balance at June 30, 1990	-	86,196	646
Budgetary Fund Balance at June 30, 1990 Appropriated and Non-Appropriated	$ 87,746	$ 4,390	$ 32,726

NOTE 12. (CONTINUED)

BASIS OF ACCOUNTING DIFFERENCES			
Increases to Fund Balance:			
Taxes receivable, net of allowances	$ 302,283	$ 52,685	$ 1,664
Short-term receivables	17,814	89,513	171
Inventories	-	2,041	-
Other current assets	30,215	21,860	-
Long-term receivables	1,246	-	-
Total	351,558	166,099	1,835
Decreases to Fund Balance:			
Accounts payable	27,343	22,547	2,935
Tax refunds payable	17,111	-	-
Due to local governments	522,213	55,096	-
Due to other funds	13,179	48,032	-
Deferred revenue	138,712	289	-
Insurance losses	72,148	-	-
Other current liabilities	20,355	1,804	-
Total	811,061	127,768	2,935
Net Differences in Accruals	(459,503)	38,331	(1,100)
OTHER DIFFERENCES			
Transfers and Other Financing Sources (Uses)	-	-	-
Fund Structure:			
General Fund - Federal Grants	24,793	-	-
General Fund - Other	10,272	-	-
Continuing appropriations - budgetary	-	389,430	-
General Fund - General Operations reclassification of fund equity	(16,012)	-	-
Reserved fund balances:			
GAAP:			
Continuing appropriations	-	-	-
ADOT	-	21	-
Budgetary	11,141	117	-
Total Increases (Decreases) to Fund Balances	(429,309)	427,899	(1,100)
Total GAAP Basis Fund Balances	$ (341,563)	$ 432,289	$ 31,626

NOTE 12. (CONTINUED)

Total Appropriations (Budgets) compared to Total Expenditures and Operating Transfers Out are summarized in the following table. (Amounts expressed in thousands).

Legislative Appropriations/ Budgets	General Fund - General Operations	General Fund - Other Appropriations	Special Revenue	Capital Projects
General Government	$ 214,576	$ 17,484	$ 2,009	$ -
Health and Welfare	472,271	863,565	5,152	-
Inspection and Regulation	40,101	-	28,831	-
Education	1,271,094	-	-	-
Protection and Safety	267,031	1,233	2,063	-
Transportation	6,125	-	1,446,436	-
Natural Resources	28,416	-	15,694	-
Capital Outlay	14,809	3,355	-	61,474
Operating Transfers Out	871,854	529	55,260	1,363
Total Appropriations/ Budgets	3,186,277	886,166	1,555,445	62,837
Expenditures/Transfers				
General Government	190,714	17,055	964	-
Health and Welfare	443,446	501,572	6,403	-
Inspection and Regulation	37,409	-	25,959	-
Education	1,227,423	-	-	-
Protection and Safety	257,039	483	11,093	-
Transportation	77	-	567,122	-
Natural Resources	25,574	-	14,340	-
Capital Outlay	14,809	2,539	-	37,824
Operating Transfers Out	871,854	529	55,260	1,363
Total Expenditures/ Transfers	3,068,345	522,178	681,141	39,187
Variance Under (Over) Appropriation/Budgets	$ 117,932	$ 363,988	$ 874,304	$ 23,650

NOTE 12. (CONTINUED)

Enterprise	Expendable Trust	Pension Trust	Universities	Total (Memorandum Only)
$ 45,002	$ 145	$ 2,925	$ -	$ 282,141
-	-	-	-	1,340,988
-	-	-	-	68,932
-	-	-	141,701	1,412,795
-	-	-	-	270,327
-	-	-	-	1,452,561
-	381	-	-	44,491
705	-	-	-	80,343
-	-	-	-	929,006
45,707	526	2,925	141,701	5,881,584
37,952	110	2,925	-	249,720
-	-	-	-	951,421
-	-	-	-	63,368
-	-	-	130,948	1,358,371
-	-	-	-	268,615
-	-	-	-	567,199
-	247	-	-	40,161
705	-	-	-	55,877
-	-	-	-	929,006
38,657	357	2,925	130,948	4,483,738
$ 7,050	$ 169	$ -	$ 10,753	$ 1,397,846

NOTE 13. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State groups its Enterprise Funds as follows:

- State Compensation - Operates the State's workers' compensation program.
- Lottery - Operates the State's lottery.
- University Medical Center - Operates in connection with the University of Arizona Medical School and provides a variety of hospital and health care services.
- Arizona Power Authority - Manages the affairs of all electric energy and power in the State.
- Coliseum and Exposition Center - Provides rental space to a variety of entertainment and promotional lessors, and sponsors the annual State Fair.

NOTE 13. (CONTINUED)

- Industrial Commission - Administers and enforces the employment laws of the State, including the regulation of workers' compensation.
- Other Enterprise Funds - Consists of Arizona Highways Magazine, Historical Society Magazine, Geological Survey Printing, Arizona Correctional Industries, Blind Industries, Mines and Mineral Resources Printing, Solar Energy Support, Game and Fish Publications, Gift Shop, Land Resource Analysis, State Park Publications, Real Estate Printing, Education Commodity Funds and Social Service Contractors Indemnity Pool.

Segment information for the fiscal year ended June 30, 1990 (December 31, 1989 for State Compensation) is shown below (expressed in thousands).

DESCRIPTION	STATE COMPENSATION	INDUSTRIAL COMMISSION	UNIVERSITY MEDICAL CENTER
Operating Revenues:			
Taxes	$ -	$ 23,978	$ -
Other	280,685	2,571	142,146
Operating Expenses:			
Depreciation	2,108	349	7,575
Other	240,978	18,049	129,415
Operating Income (Loss)	37,599	8,151	5,156
Non-Operating Revenues (Expenses)	-	12,526	314
Net Operating Transfers	-	(10,577)	-
Net Income (Loss)	$ 37,599	$ 10,100	$ 5,470
Current Assets	$ 63,005	$ 14,268	$ 36,533
Current Liabilities	181,975	87,879	15,216
Net Working Capital	$ (118,970)	$ (73,611)	$ 21,317
Property and Equipment:			
July 1, 1989, as restated (January 1, 1989 for State Compensation)	$ 47,909	$ 16,886	$ 84,086
Additions	1,441	-	9,765
Deletions	-	(579)	(44)
June 30, 1990 (December 31, 1989 for State Compensation)	$ 49,350	$ 16,307	$ 93,807
Revenue Bonds	$ -	$ -	$ 26,280
Certificates of Participation	$ -	$ 16,600	$ -
Contributed Capital	$ -	$ -	$ -
Total Assets	$ 837,557	$ 162,856	$ 113,723
Total Liabilities	761,064	104,479	45,080
Fund Equity	$ 76,493	$ 58,377	$ 68,643

NOTE 13. (CONTINUED)

ARIZONA POWER AUTHORITY	LOTTERY	COLISEUM AND EXPOSITION CENTER	OTHER ENTERPRISE FUNDS	TOTAL
$ -	$ -	$ -	$ -	$ 23,978
16,196	288,411	11,955	23,465	765,429
132	320	615	342	11,441
16,730	206,154	10,833	24,266	646,425
(666)	81,937	507	(1,143)	131,541
157	-	1,245	2,290	16,532
-	(82,391)	(146)	889	(92,225)
$ (509)	$ (454)	$ 1,606	$ 2,036	$ 55,848
$ 17,161	$ 17,511	$ 9,684	$ 22,072	$ 180,234
7,478	13,691	854	7,110	314,203
$ 9,683	$ 3,820	$ 8,830	$ 14,962	$ (133,969)
$ 767	$ 6,536	$ 15,534	$ 12,213	$ 183,931
184	20	1,862	309	13,581
-	-	-	(1,224)	(1,847)
$ 951	$ 6,556	$ 17,396	$ 11,298	$ 195,665
$ 89,820	$ -	$ 1,590	$ -	$ 117,690
$ -	$ -	$ -	$ -	$ 16,600
$ 9	$ -	$ 894	$ 6,775	$ 7,678
$ 102,327	$ 22,356	$ 18,633	$ 28,340	$1,285,792
97,298	13,930	2,551	7,398	1,031,800
$ 5,029	$ 8,426	$ 16,082	$ 20,942	$ 253,992

NOTE 14. COMMITMENTS, CONTINGENCIES AND COMPLIANCE

A. INSURANCE LOSSES

The State is self-insured for most risk exposures, and maintains co-insurance for certain risks in excess of certain amounts including airport liability, boiler and machinery coverage, nuclear liability, and foreign corporation excess liability. The Risk Management Division of the Department of Administration administers the State's self-insurance program. According to a study performed by an independent consulting actuary, liabilities for losses incurred but not paid, including losses not yet reported, are estimated to be $182.1 million at June 30, 1990. This amount has been accrued as a liability in the Internal Service Fund on the balance sheet.

B. LITIGATION

Due to a decision of the United States Supreme Court in 1989, the State is a defendant in two litigation cases regarding individual income taxes paid on Federal pensions. In Bohn vs. Wadell, the Federal retirees were awarded a partial refund of approximately $7.0 million for income tax paid on federal retirement benefits or pay. Potential maximum full refund liability for the State would be approximately $260.0 million. The case is under appeal. In Kerr vs. Wadell, the Federal employees were denied a refund of tax paid on retirement contributions in accordance with ARS 43-1022(2), which based on a U.S. Supreme Court decision is a violation of the constitution. Potential maximum liability for the State would be $20.0 million. The Federal retirees will appeal this case.

In a separate action, Hamilton vs. State, taxpayers have claimed that refundable property tax credit should be increased and the taxpayers should be allowed to use a definition of adjusted gross income in the Arizona Revised Statues and not on the tax forms. The Tax Court has granted summary judgement to the plaintiffs. The amount of liability to the State is not readily determinable at this time.

The State is a party to several cases involving water rights settlements with Indian Nations. In two of the cases, the State has committed a total of $5.5 million to be appropriated by the Legislature when the settlements are completed and ratified. This amount is accrued as a liability on the balance sheet in the General Fund. The remaining cases are under negotiation and the Office of the Attorney General cannot presently determine the outcome of these pending cases. These losses, if any, are not expected to have a material, adverse impact on the financial position of the funds involved.

The State is also a defendant in a number of other pending lawsuits. All losses for any unsettled litigation or contingencies are determined on an actuarial basis and included in the Insurance Loss Liabilities of the Internal Service Funds.

C. FOOD STAMPS

DES is required by the U.S. Department of Agriculture to maintain an inventory of food stamps. The redemption value of food stamp inventory at June 30, 1990, was $94.0 million and does not otherwise appear in the financial statements because the State acts as an agent for the U.S. Government in food stamp distribution. During fiscal year 1989-90, DES distributed $221.4 million in food stamps for the U.S. Government to eligible Arizona citizens.

NOTE 14. (CONTINUED)

D. COMPONENT UNIT AUDITS

One of the three State universities, the four State pension plans and certain State agencies are audited by independent public accountants. Copies of these audits, as well as audits performed by the State Auditor General, are available from the State Library and Archives.

E. ACCUMULATED SICK LEAVE

Sick leave benefits (see Note 7) are cumulative, but do not vest with employees; thus, they are not accrued. Employees forfeit all accumulated sick leave upon termination prior to retirement. Employees with 1,000 or more hours of sick leave upon retirement receive $750 in accordance with ARS 38-615. Unused accumulated sick leave of employees of the State at June 30, 1990 totaled $86.7 million.

F. UNCLAIMED PROPERTY

The State of Arizona's Uniform Unclaimed Property Act requires deposit of certain unclaimed assets into a managed Agency Fund. Per A.R.S. 44-323 a separate trust fund of not less than $100,000 is required to be retained for prompt payment of claims. The excess amount, above that which is required to be retained, is required to be deposited to the General Fund where it is included as Other Revenue. Amounts remitted to The General Fund during fiscal year 1990 total $8.0 million. A total of approximately $40.2 million has been remitted since inception of the fund. In addition, the State is also holding contents of safe deposit boxes and stock valued at $0.1 and $3.1 million, respectively. The remittances to the General Fund and the holdings by the State represent contingencies, as claims for refunds can be made by the owners of the property. The entire total of $40.2 million is recorded as a reservation to Fund Balance in the General Fund.

G. CONSTRUCTION COMMITMENTS

The Arizona Department of Transportation had outstanding commitments under construction contracts of approximately $367.0 million at June 30, 1990.

NOTE 15. SUBSEQUENT EVENTS

A. BONDS

On July 18, 1990, the Department of Transportation issued the 1990 State of Arizona Highway Revenue Bonds, ($175.0 million principal amount) as follows: 1990 Serial Bonds ($62.6 million principal amount) due July 1, 1994 through 2003; the 1990 Term Bonds ($94.0 million principal amount) due July 1, 2009; and the 1990 Term Bonds ($18.4 million principal amount) due July 1, 2010. The 1990 Bonds maturing on and after July 1, 2001 are subject to redemption prior to their state maturity dates at the election of the Transportation Board on or after July 1, 2000, in whole or in part, in any order of maturity determined by the Board (in random order within maturity) at redemption prices ranging form 100 percent to 101 percent of principal plus accrued interest to the date fixed for redemption. The 1990 Term Bonds maturing on July 1, 2009 are subject to mandatory sinking fund redemption in 2004 to 2008.

NOTE 14. (CONTINUED)

On November 7, 1990, the University of Arizona sold $39.6 million of System Revenue Bonds, Series of 1990B under the Series of 1990B Resolution. The $39.6 million proceeds were put in trust for the 1990B construction projects.

In January 1991, the University Medical Center issued $50.7 million of Hospital Revenue Bonds (the Series 1991 Bonds). The proceeds of the Series 1991 Bonds will fund the construction of an imaging center, a 65 bed tower for expanded programs, a new emergency room, a parking facility, and the expansion and renovation of the surgical suites of other existing facilities.

In January 1991, Arizona State University sold $34.8 million of system revenue bonds for the financing of six academic facility projects and one auxiliary project.

In February 1991, Northern Arizona University sold $5.0 million of system revenue bonds at an average interest rate of 6.34 percent. Proceeds from the bonds will be used to construct a portion of the Southwest Forestry Sciences Complex being undertaken jointly with the federal government.

On October 17, 1991, the Department of Transportation issued the State of Arizona Transportation Board Subordinated Highway Revenue Bonds, Series 1991A (Series 1991A Subordinated Bonds) ($171.1 million principal amount) as follows: The Series 1991A Serial Bonds ($87.1 million principal amount) due July 1, 2003 through 2008; and the Series 1991A Term Bonds ($84.0 million principal amount) due July 1, 2011. The Term Bonds maturing on July 1, 2011 are subject to mandatory sinking fund redemption on July 1 of the years 2009 to 2011.

B. CERTIFICATES OF PARTICIPATION

In October 1990, the State issued Certificates of Participation (COPs) for $21.8 million at interest rates that vary from 6.0% to 7.375% and mature in the year 2011. The COPs were issued for the construction of five school buildings for the Arizona School for the Deaf and Blind, a storage building, loading dock, and parking area for the Records Retention Center of the Arizona Legislature, and the acquisition of the Tonto Natural Bridge.

In October 1991, the State issued COPs for $55.1 million at interest rates that vary from 4.5% to 6.4% and mature in the year 2005. The COPs were issued for the acquisition of two prison units at the Arizona State Prison in Florence, Arizona.

In February 1992, the State issued COPs for $22.1 million at interest rates that vary from 5.0% to 6.5% and mature in the year 2005. The COPs were issued to refinance the total outstanding balance of a building for the Arizona Department of Revenue and the construction or acquisition and improvement of seven structures to provide group living homes for the developmentally disabled.

In June 1992, the State issued COPs for $129.6 million at interest rates that vary from 3.4% to 6.1% and mature in the year 2004. The COPs were used to refund all of the outstanding COPs issued in October 1988 for $121.8 million. The 1988 certificates were issued for the construction of the Arizona State Supreme Court Building, a museum, a food service building at the School for the Deaf and Blind, and several office buildings and parking facilities.

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

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GENERAL FUND

STATE OF ARIZONA
COMBINING BALANCE SHEET -
GENERAL FUND
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	GENERAL OPERATIONS	FEDERAL GRANTS	OTHER APPROPRIATIONS	OTHER NON-APPROPRIATIONS	TOTALS 1990	TOTALS 1989
Current Assets:						
Cash and investments	$ 73,208	$ 33,921	$ 75,525	$ 12,063	$ 194,717	$ 104,823
Receivables, net of allowances:						
Taxes	307,944	-	-	-	307,944	678,654
Interest	2,465	20	1,707	34	4,226	299
Other	1,785	1,042	182	-	3,009	10,210
Due from U.S. Government	-	15,089	7,305	-	22,394	36,511
Due from local governments	2,156	-	234	-	2,390	5,938
Due from others	6	-	-	-	6	-
Due from other Funds	23,927	2,640	65	847	27,479	25,383
Inventories, at cost	-	-	-	-	-	5,622
Other	-	-	1,114	-	1,114	2,708
Total Current Assets	411,491	52,712	86,132	12,944	563,279	870,148
Long-term Assets:						
Receivables, net of allowances	-	-	-	-	-	1,757
Total Assets	$ 411,491	$ 52,712	$ 86,132	$ 12,944	$ 563,279	$ 871,905
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 49,151	$ 15,922	$ 20,361	$ 1,688	$ 87,122	$ 58,334
Accrued expenses	10,996	7,670	518	457	19,641	24,222
Tax refunds payable	17,111	-	-	-	17,111	165,214
Due to U.S. Government	-	57	-	-	57	18
Due to local governments	522,213	-	-	-	522,213	508,316
Due to others	2,036	-	-	-	2,036	-
Due to other Funds	7,155	1,623	11,929	153	20,860	11,638
Deferred revenue	135,609	2,414	3,103	-	141,126	62,287
Current portion of insurance losses	-	-	72,148		72,148	91,651
Other	5,480	233	5,757	374	11,844	34,178
Total Liabilities	749,751	27,919	113,816	2,672	894,158	955,858
Commitments and contingencies	10,684	-	-	-	10,684	-
Fund Balances:						
Reserved	72,335	82	126,122	-	198,539	52,876
Unreserved	(421,279)	24,711	(153,806)	10,272	(540,102)	(136,829)
Total Fund Balances	(348,944)	24,793	(27,684)	10,272	(341,563)	(83,953)
Total Liabilities and Fund Balances	$ 411,491	$ 52,712	$ 86,132	$ 12,944	$ 563,279	$ 871,905

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STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1990

(Expressed in Thousands)

	GENERAL OPERATIONS	FEDERAL GRANTS	OTHER APPROPRIATIONS	OTHER-NON APPROPRIATIONS	ELIMINATIONS
REVENUES:					
Taxes:					
Sales	$ 1,805,380	$ -	$ -	$ -	$ -
Income	1,172,699	-	-	-	-
Motor vehicle and fuel	88,369	-	-	-	-
Property	119,927	-	-	-	-
Other	203,593	-	-	-	-
Intergovernmental	658	571,500	509,564	9,238	-
Licenses, fees and permits	30,883	-	81	2,569	-
Earnings on investments	30,063	144	1,123	839	-
Sales and charges for services	7,173	7,376	6,227	283	-
Fines, forfeitures & penalties	2,525	2,182	-	970	-
Other	11,689	4,804	8,605	210	-
Total Revenues	3,472,959	586,006	525,600	14,109	-
EXPENDITURES:					
General government	740,953	11,841	17,822	1,112	-
Health & welfare	433,750	336,418	760,678	10,723	-
Inspection & regulation	32,896	265	-	-	-
Education	1,244,599	178,412	10	13,901	-
Protection & safety	320,646	23,423	622	6,384	-
Transportation	2,188	-	-	-	-
Natural resources	23,601	1,574	41	54	-
Capital outlay	29,441	10,609	5,479	524	-
Debt service:					
Principal	4,623	157	138	6	-
Interest	46	1	6	-	-
Total Expenditures	2,832,743	562,700	784,796	32,704	-
Revenues Over (Under) Expenditures	640,216	23,306	(259,196)	(18,595)	-
OTHER FINANCING SOURCES (USES):					
Operating transfers in	90,268	1,426	272,683	23,111	(249,313)
Operating transfers out	(834,998)	(18,684)	(3,249)	(1,279)	249,313
Other financing sources (uses)	2,808	222	142	(301)	-
Total Other Financing Sources (Uses)	(741,922)	(17,036)	269,576	21,531	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(101,706)	6,270	10,380	2,936	-
Beginning Fund Balances, as restated	(247,238)	18,523	(38,064)	7,336	-
Ending Fund Balances	$ (348,944)	$ 24,793	$ (27,684)	$ 10,272	$ -

TOTALS	
1990	1989
$ 1,805,380	$ 1,761,829
1,172,699	1,146,342
88,369	69,585
119,927	88,626
203,593	184,760
1,090,960	855,965
33,533	32,167
32,169	31,530
21,059	7,884
5,677	5,119
25,308	23,148
4,598,674	4,206,955
771,728	758,324
1,541,569	1,270,505
33,161	34,239
1,436,922	1,411,343
351,075	332,319
2,188	3,151
25,270	33,531
46,053	-
4,924	-
53	-
4,212,943	3,843,412
385,731	363,543
138,175	100,659
(608,897)	(517,692)
2,871	(5,939)
(467,851)	(422,972)
(82,120)	(59,429)
(259,443)	(24,524)
$ (341,563)	$ (83,953)

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SPECIAL REVENUE FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	STATE HIGHWAY	HIGHWAY USERS	GAME & FISH	STATE AVIATION	INDUSTRIAL COMMISSION
Current Assets:					
Cash and investments	$ 272,216	$ 39,273	$ 3,076	$ 16,749	$ 2,451
Receivables, net of allowances:					
Taxes	-	42,860	-	-	-
Interest	6,868	1,052	-	522	-
Other	646	35	1,220	231	-
Due from U.S. Government	16,221	-	-	-	231
Due from local governments	6,677	-	-	-	-
Due from other Funds	28,149	12,907	47	-	-
Inventories, at cost	2,041	-	-	-	-
Other	-	-	-	-	-
Total Assets	$ 332,818	$ 96,127	$ 4,343	$ 17,502	$ 2,682
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 54,267	$ -	$ 246	$ 351	$ 461
Accrued expenses	3,340	-	311	17	136
Due to local governments	1,587	49,302	-	-	-
Due to others	-	-	-	-	-
Due to other Funds	1,755	28,491	49	24	1,831
Deferred revenue	-	-	-	-	-
Other	-	-	2	-	2
Total Liabilities	60,949	77,793	608	392	2,430
Fund Balances:					
Reserved	222,162	-	174	18,245	53
Unreserved	49,707	18,334	3,561	(1,135)	199
Total Fund Balances	271,869	18,334	3,735	17,110	252
Total Liabilities and Fund Balances	$ 332,818	$ 96,127	$ 4,343	$ 17,502	$ 2,682

MARICOPA RARF	OTHER	TOTALS	
		1990	1989
$ 48,331	$ 106,050	$ 488,146	$ 402,726
9,372	453	52,685	60,817
1,074	555	10,071	4,002
-	4,217	6,349	4,677
-	6,863	23,315	23,820
-	230	6,907	41
-	1,775	42,878	60,785
-	-	2,041	2,008
16	-	16	40
$ 58,793	$ 120,143	$ 632,408	$ 558,916
$ 29,691	$ 5,126	$ 90,142	$ 75,009
-	877	4,681	3,205
-	4,207	55,096	58,095
-	1,848	1,848	-
22	15,860	48,032	5,296
-	289	289	357
-	27	31	6,363
29,713	28,234	200,119	148,325
-	2,662	243,296	571,297
29,080	89,247	188,993	(160,706)
29,080	91,909	432,289	410,591
$ 58,793	$ 120,143	$ 632,408	$ 558,916

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	STATE HIGHWAY	HIGHWAY USERS	GAME & FISH	STATE AVIATION	INDUSTRIAL COMMISSION
REVENUES:					
Taxes:					
Sales	$ -	$ -	$ -	$ -	$ -
Income	-	-	-	-	-
Motor vehicle and fuel	332,002	204,302	-	531	-
Property	-	-	-	-	-
Other	-	-	-	8,885	-
Intergovernmental	191,528	-	500	164	911
Licenses, fees and permits	-	100,377	11,863	1,386	-
Earnings on investments	21,474	1,783	415	1,411	-
Sales and charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Other	3,056	151	251	795	-
Total Revenues	548,060	306,613	13,029	13,172	911
EXPENDITURES:					
General government	-	-	-	-	-
Health and welfare	-	-	-	-	-
Inspection and regulation	-	-	-	-	10,967
Education	-	-	-	-	-
Protection and safety	-	-	-	-	-
Transportation	169,253	305,577	-	5,920	-
Natural resources	-	-	10,654	-	-
Capital outlay	242,375	-	1,317	102	1,670
Debt service:					
Principal	-	-	32	-	-
Interest	-	-	4	-	-
Total Expenditures	411,628	305,577	12,007	6,022	12,637
Revenues Over (Under) Expenditures	136,432	1,036	1,022	7,150	(11,726)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	946	-	11,820
Operating transfers out	(58,343)	-	(2,233)	(47)	(1,676)
Other financing sources (uses)	6,083	-	24	-	1,679
Total Other Financing Sources (Uses)	(52,260)	-	(1,263)	(47)	11,823
Revenues and Other Sources Over (Under) Expenditures and Other Uses	84,172	1,036	(241)	7,103	97
Beginning Fund Balances, as restated	187,697	17,298	3,976	10,007	155
Ending Fund Balances	$ 271,869	$ 18,334	$ 3,735	$ 17,110	$ 252

MARICOPA RARF	OTHER	TOTALS	
		1990	1989
$ 16,871	$ 8,417	$ 25,288	$ 67,027
-	47	47	262
-	1,239	538,074	454,681
-	1,006	1,006	8,828
-	3,249	12,134	38,116
-	33,780	226,883	199,604
-	24,797	138,423	193,807
6,440	3,099	34,622	25,488
-	2,729	2,729	6,353
-	20,663	20,663	21,005
2,434	15,920	22,607	31,626
25,745	114,946	1,022,476	1,046,797
-	19,204	19,204	17,397
-	14,704	14,704	13,888
-	24,163	35,130	35,928
-	1,771	1,771	1,689
-	20,996	20,996	25,986
22,297	1,352	504,399	558,294
-	7,351	18,005	22,927
86,713	14,544	346,721	337,375
-	701	733	151
-	29	33	38
109,010	104,815	961,696	1,013,673
(83,265)	10,131	60,780	33,124
-	11,727	24,493	35,726
-	(4,180)	(66,479)	(50,594)
-	(325)	7,461	857
-	7,222	(34,525)	(14,011)
(83,265)	17,353	26,255	19,113
112,345	74,556	406,034	391,478
$ 29,080	$ 91,909	$ 432,289	$ 410,591

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DEBT SERVICE FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	DEPARTMENT OF TRANSPORTATION	MARICOPA BARF	CERTIFICATES OF PARTICIPATION	TOTALS	
				1990	1989
Current Assets:					
Cash and investments	$ 5,527	$ 21,962	$ -	$ 27,489	$ 14,487
Interest receivable	33	516	-	549	499
Due from other Funds	-	-	-	-	75
Total Assets	$ 5,560	$ 22,478	$ -	$ 28,038	$ 15,061
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Fund Balances, all reserved	5,560	22,478	-	28,038	15,061
Total Liabilities and Fund Balances	$ 5,560	$ 22,478	$ -	$ 28,038	$ 15,061

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	DEPARTMENT OF TRANSPORTATION	MARICOPA RARF	CERTIFICATES OF PARTICIPATION	TOTALS 1990	TOTALS 1989
REVENUES:					
Sales taxes	$ -	$ 94,013	$ -	$ 94,013	$ 50,812
Earnings on investments	1,871	3,247	799	5,917	5,740
Total Revenues	1,871	97,260	799	99,930	56,552
EXPENDITURES:					
Transportation	27	8	-	35	25
Principal	23,340	34,485	1,875	59,700	41,770
Interest and other fiscal charges	26,609	50,224	12,334	89,167	63,061
Total Expenditures	49,976	84,717	14,209	148,902	104,856
Revenues Over (Under) Expenditures	(48,105)	12,543	(13,410)	(48,972)	(48,304)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	48,539	-	13,410	61,949	54,574
Operating transfers out	-	-	-	-	(15,911)
Total Other Financing Sources (Uses)	48,539	-	13,410	61,949	38,663
Revenues and Other Sources Over (Under) Expenditures and Other Uses	434	12,543	-	12,977	(9,641)
Beginning Fund Balances	5,126	9,935	-	15,061	24,702
Ending Fund Balances	$ 5,560	$ 22,478	$ -	$ 28,038	$ 15,061

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CAPITAL PROJECTS FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	DEPARTMENT OF TRANSPORTATION FINANCED	MARICOPA RARF FINANCED	CERTIFICATES OF PARTICIPATION FINANCED	OTHER	TOTALS 1990	TOTALS 1989
Current Assets:						
Cash and investments	$ -	$ -	$ -	$ 34,464	$ 34,464	$ 235,333
Receivables, net of allowances:						
Taxes	-	-	-	1,664	1,664	2,072
Interest	-	-	-	171	171	3,858
Other	-	-	-	-	-	1,319
Due from other Funds	-	-	-	812	812	-
Total Assets	$ -	$ -	$ -	$ 37,111	$ 37,111	$ 242,582
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ 5,227	$ 5,227	$ 21,057
Accrued expenses	-	-	-	194	194	37
Due to other Funds	-	-	-	64	64	59,943
Other	-	-	-	-	-	2,143
Total Liabilities	-	-	-	5,485	5,485	83,180
Fund Balances:						
Reserved	-	-	-	23,116	23,116	32,852
Unreserved	-	-	-	8,510	8,510	126,550
Total Fund Balances	-	-	-	31,626	31,626	159,402
Total Liabilities and Fund Balances	$ -	$ -	$ -	$ 37,111	$ 37,111	$ 242,582

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	DEPARTMENT OF TRANSPORTATION FINANCED	MARICOPA RARF FINANCED	CERTIFICATES OF PARTICIPATION FINANCED	OTHER	TOTALS	
					1990	1989
REVENUES:						
Taxes:						
Motor vehicle and fuel	$ -	$ -	$ -	$ 4,024	$ 4,024	$ 2,297
Property	-	-	-	91	91	88
Other	-	-	-	21,178	21,178	22,275
Intergovernmental	-	-	-	32	32	1
Licenses, fees and permits	-	-	-	2,168	2,168	2,237
Earnings on investments	7,109	15,378	-	1,124	23,611	22,296
Other	-	-	-	141	141	809
Total Revenues	7,109	15,378	-	28,758	51,245	50,003
EXPENDITURES:						
Capital outlay	121,730	371,078	46,281	35,685	574,774	284,313
Revenues Over (Under) Expenditures	(114,621)	(355,700)	(46,281)	(6,927)	(523,529)	(234,310)
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	11	4,615	4,626	617
Operating transfers out	-	-	(8,647)	(6,104)	(14,751)	(4,673)
Other financing sources (uses)	-	350,961	54,917	-	405,878	136,676
Total Other Financing Sources (Uses)	-	350,961	46,281	(1,489)	395,753	132,620
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(114,621)	(4,739)	-	(8,416)	(127,776)	(101,690)
Beginning Fund Balances	114,621	4,739	-	40,042	159,402	261,092
Ending Fund Balances	$ -	$ -	$ -	$ 31,626	$ 31,626	$ 159,402

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ENTERPRISE FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 1990
(EXCEPT STATE COMPENSATION AND PARTIAL
OTHER ENTERPRISE FUNDS, DECEMBER 31, 1989)
(Expressed in Thousands)

ASSETS	STATE COMPENSATION	INDUSTRIAL COMMISSION	UNIVERSITY MEDICAL CENTER	ARIZONA POWER AUTHORITY	LOTTERY
Current Assets:					
Cash and investments	$ 16,011	$ 576	$ 7,467	$ 12,944	$ 10,376
Cash held by trustee	-	2,882	-	-	-
Receivables, net of allowances:					
Taxes	-	5,088	-	-	-
Interest	12,294	3,856	-	1,725	89
Other	34,700	73	25,991	1,874	6,745
Due from other Funds	-	1,793	-	-	-
Inventories, at cost	-	-	3,075	-	240
Other	-	-	-	618	61
Total Current Assets	63,005	14,268	36,533	17,161	17,511
Long-term Assets:					
Investments	734,055	133,845	595	4,500	-
Investments held by trustee	-	-	-	52,573	-
Other	-	-	11,596	27,642	-
Fixed assets:					
Property and equipment	49,350	16,307	93,807	951	6,556
Less: accumulated depreciation	(8,853)	(1,564)	(28,808)	(500)	(1,711)
Total Long-term Assets	774,552	148,588	77,190	85,166	4,845
Total Assets	$ 837,557	$ 162,856	$ 113,723	$ 102,327	$ 22,356
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Accounts payable	$ 15,327	$ 9	$ 11,322	$ 34	$ 1,164
Accrued expenses	-	-	3,082	-	-
Due to other Funds	700	-	-	-	1,302
Deferred revenue	29,796	-	-	-	-
Current portion of insurance losses	102,479	87,470	-	-	-
Current portion of long-term debt	-	400	812	-	-
Other	33,673	-	-	7,444	11,225
Total Current Liabilities	181,975	87,879	15,216	7,478	13,691
Long-term Liabilities:					
Accrued compensated absences	-	-	1,700	-	239
Accrued insurance losses	579,089	-	1,370	-	-
Long-term debt:					
Revenue bonds	-	-	26,280	89,820	-
Certificates of participation	-	16,600	-	-	-
Leases and installment purchases	-	-	310	-	-
Other	-	-	204	-	-
Total Long-term Liabilities	579,089	16,600	29,864	89,820	239
Total Liabilities	761,064	104,479	45,080	97,298	13,930
Fund Equity:					
Contributed capital	-	-	-	9	-
Retained earnings	76,493	58,377	68,643	5,020	8,426
Total Fund Equity	76,493	58,377	68,643	5,029	8,426
Total Liabilities and Fund Equity	$ 837,557	$ 162,856	$ 113,723	$ 102,327	$ 22,356

COLISEUM & EXPOSITION CENTER	OTHER	TOTALS	
		1990	1989
$ 9,385	$ 12,162	$ 68,921	$ 67,014
-	-	2,882	5,031
-	-	5,088	4,941
93	265	18,322	16,830
188	2,988	72,559	61,759
-	300	2,093	1,298
-	5,725	9,040	8,020
18	632	1,329	1,692
9,684	22,072	180,234	166,585
-	-	872,995	775,860
-	-	52,573	57,146
5	-	39,243	26,987
17,396	11,298	195,665	183,933
(8,452)	(5,030)	(54,918)	(46,052)
8,949	6,268	1,105,558	997,874
$ 18,633	$ 28,340	$ 1,285,792	$ 1,164,459
$ 104	$ 840	$ 28,800	$ 21,441
93	365	3,540	4,348
-	17	2,019	7,832
-	4,672	34,468	31,151
-	1,123	191,072	223,785
400	20	1,632	1,427
257	73	52,672	47,017
854	7,110	314,203	337,001
107	229	2,275	588
-	-	580,459	463,653
1,590	-	117,690	118,650
-	-	16,600	17,000
-	15	325	869
-	44	248	363
1,697	288	717,597	601,123
2,551	7,398	1,031,800	938,124
894	6,775	7,678	5,869
15,188	14,167	246,314	220,466
16,082	20,942	253,992	226,335
$ 18,633	$ 28,340	$ 1,285,792	$ 1,164,459

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(EXCEPT STATE COMPENSATION AND PARTIAL ENTERPRISE OTHER FUNDS,
FOR THE YEAR ENDED DECEMBER 31, 1989)
(Expressed in Thousands)

	STATE COMPENSATION	INDUSTRIAL COMMISSION	UNIVERSITY MEDICAL CENTER	ARIZONA POWER AUTHORITY	LOTTERY
OPERATING REVENUES:					
Sales and charges for services:					
Lottery	$ -	$ -	$ -	$ -	$ 287,940
Other	204,430	-	127,441	16,196	-
Taxes	-	23,978	-	-	-
Intergovernmental	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	8
Earnings on investments	75,149	-	1,451	-	89
Other	1,106	2,571	13,254	-	374
Total Operating Revenues	280,685	26,549	142,146	16,196	288,411
OPERATING EXPENSES:					
Cost of sales and benefits	207,010	14,999	23,813	16,040	164,117
Personal services	17,982	-	59,241	690	3,543
Contractual services	1,527	127	16,865	-	129
Aid to local governments	-	-	-	-	30,650
Depreciation and amortization	2,108	349	7,575	132	320
Insurance	-	-	2,964	-	103
Other	14,459	2,923	26,532	-	7,612
Total Operating Expenses	243,086	18,398	136,990	16,862	206,474
Operating Income (Loss)	37,599	8,151	5,156	(666)	81,937
NON-OPERATING REVENUES (EXPENSES):					
Interest income	-	13,670	-	5,671	-
Interest expense	-	(1,144)	-	(5,153)	-
Other	-	-	314	(361)	-
Total Non-operating Revenues (Expenses)	-	12,526	314	157	-
Income (Loss) Before Operating Transfers	37,599	20,677	5,470	(509)	81,937
OPERATING TRANSFERS:					
Operating transfers in	-	1,225	-	-	-
Operating transfers out	-	(11,802)	-	-	(82,391)
Net Income (Loss)	37,599	10,100	5,470	(509)	(454)
Beginning Retained Earnings, as restated	38,894	48,277	63,173	5,529	8,880
Ending Retained Earnings	$ 76,493	$ 58,377	$ 68,643	$ 5,020	$ 8,426

COLISEUM & EXPOSITION CENTER	OTHER	TOTALS	
		1990	1989
$ -	$ -	$ 287,940	$ 252,007
9,495	21,937	379,499	337,533
-	-	23,978	26,136
-	70	70	-
-	937	945	-
-	207	76,896	83
2,460	314	20,079	22,237
11,955	23,465	789,407	637,996
2,121	14,414	442,514	423,376
5,100	3,321	89,877	77,443
1,538	503	20,689	20,896
-	3	30,653	30,654
615	342	11,441	10,902
767	1,131	4,965	4,376
1,307	4,894	57,727	37,048
11,448	24,608	657,866	604,695
507	(1,143)	131,541	33,301
669	760	20,770	84,901
-	(10)	(6,307)	(8,152)
576	1,540	2,069	588
1,245	2,290	16,532	77,337
1,752	1,147	148,073	110,638
-	1,241	2,466	3,639
(146)	(352)	(94,691)	(77,236)
1,606	2,036	55,848	37,041
13,582	12,131	190,466	183,425
$ 15,188	$ 14,167	$ 246,314	$ 220,466

STATE OF ARIZONA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(EXCEPT STATE COMPENSATION AND PARTIAL OTHER ENTERPRISE FUNDS, FOR THE YEAR ENDED DECEMBER 31, 1989)
(Expressed in Thousands)

	STATE COMPENSATION	INDUSTRIAL COMMISSION	UNIVERSITY MEDICAL CENTER	ARIZONA POWER AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	$ 37,599	$ 8,151	$ 5,156	$ (666)
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation	2,108	349	7,575	36
Amortization of investment (premium) and discount	(17,295)	-	-	-
Net (gain) loss on sale of investment	(272)	-	-	-
Dividends to policyholders	(31,237)	-	-	-
Gain on retirement of revenue bonds	-	-	-	-
Amortization of bond issuance costs	-	-	-	96
Total Adjustments	(46,696)	349	7,575	132
Changes in Assets and Liabilities:				
(Increase) decrease in receivables, net of allowances	(1,449)	(1,095)	(8,829)	264
(Increase) decrease in other long-term assets	-	-	(9,167)	2,723
Increase in due from other Funds	-	(495)	-	-
(Increase) decrease in inventories, at cost	-	-	(733)	-
(Increase) decrease in other current assets	-	-	790	(190)
Increase (decrease) in accounts payable	2,546	(9)	4,632	34
Increase (decrease) in accrued expenses	-	-	(905)	-
Decrease in due to other Funds	-	-	-	-
Increase in deferred revenue	2,979	-	-	-
Increase (decrease) in other current liabilities	-	4,017	(224)	4,156
Increase (decrease) in compensated absences	-	-	1,700	-
Increase in long-term insurance losses	79,215	-	70	-
Increase (decrease) in other long-term liabilities	-	-	231	-
Net Changes in Assets and Liabilities	83,291	2,418	(12,435)	6,987
Net Cash Provided (Used) by Operating Activities	74,194	10,918	296	6,453
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Interest expense	-	-	-	(5,153)
Other non-operating revenues (expenses)	-	-	314	(361)
Operating transfers in	-	1,225	-	-
Operating transfers out	-	(11,802)	-	-
Residual equity transfer	-	-	-	-
Net repayments under line-of-credit agreements	-	-	-	-
Net Cash Provided (Used) by Non-capital Financing Activities	$ -	$ (10,577)	$ 314	$ (5,514)

LOTTERY	COLISEUM & EXPOSITION CENTER	OTHER	TOTALS	
			1990	1989
$ 81,937	$ 507	$ (1,143)	$ 131,541	$ 33,301
320	614	912	11,914	10,805
-	1	-	(17,294)	(14,558)
-	10	-	(262)	1,259
-	-	-	(31,237)	(28,256)
-	-	-	-	9
-	-	-	96	96
320	625	912	(36,783)	(30,645)
(79)	(20)	(1,230)	(12,438)	(1,838)
-	1	-	(6,443)	(8,702)
-	-	(300)	(795)	(605)
118	-	(405)	(1,020)	714
(22)	85	(300)	363	(1,123)
362	32	(238)	7,359	1,359
(49)	(47)	193	(808)	(723)
(5,811)	-	(2)	(5,813)	(3,389)
-	-	337	3,316	3,221
2,878	(48)	(265)	10,514	1,902
1	(7)	(7)	1,687	47
-	-	791	80,076	91,313
-	-	(56)	175	188
(2,602)	(4)	(1,482)	76,173	82,364
79,655	1,128	(1,713)	170,931	85,020
-	-	(10)	(5,163)	(7,320)
-	566	1,540	2,059	571
-	-	1,241	2,466	3,639
(82,391)	(146)	(352)	(94,691)	(77,236)
-	-	1,809	1,809	(10,254)
-	-	-	-	(778)
$ (82,391)	$ 420	$ 4,228	$ (93,520)	$ (91,378)

STATE OF ARIZONA
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 1990
(EXCEPT STATE COMPENSATION AND PARTIAL OTHER ENTERPRISE FUNDS,
FOR THE YEAR ENDED DECEMBER 31, 1989)
(CONTINUED)
(Expressed in Thousands)

	STATE COMPENSATION	INDUSTRIAL COMMISSION	UNIVERSITY MEDICAL CENTER	ARIZONA POWER AUTHORITY
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of fixed assets	$ (2,148)	$ 175	$ (10,142)	$ (184)
Retirement of revenue bonds principal	-	-	(370)	(96)
Interest payments under certificates of participation or bonds	-	(1,144)	-	-
Principal payments under leases and installment purchases	-	(200)	-	-
Borrowings under leases and installment purchases	-	-	(834)	-
Proceeds from other long-term debt	-	-	-	-
Proceeds in funds received by trustee	-	315	-	-
Net Cash Used by Capital and Related Financing Activities	(2,148)	(854)	(11,346)	(280)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	89,796	23,631	-	-
Purchase of investments	(157,645)	(36,640)	-	-
Interest and dividends on investments	-	13,405	-	5,671
Net Cash Provided (Used) by Investing Activities	(67,849)	396	-	5,671
Net Increase (Decrease) in Cash and Short-term Investments	4,197	(117)	(10,736)	6,330
Cash and Short-term Investments - Beginning	11,814	3,575	18,203	6,614
Cash and Short-term Investments - Ending	$ 16,011	$ 3,458	$ 7,467	$ 12,944

LOTTERY	COLISEUM & EXPOSITION CENTER	OTHER	TOTALS 1990	TOTALS 1989
$ (27)	$ (1,882)	$ (573)	$ (14,781)	$ (13,192)
-	(190)	-	(656)	(170)
-	-	-	(1,144)	(832)
-	-	-	(200)	(1,012)
-	-	-	(834)	1,215
-	-	-	-	8
-	-	-	315	-
(27)	(2,072)	(573)	(17,300)	(13,983)
-	-	-	113,427	75,488
-	-	-	(194,285)	(142,168)
-	669	760	20,505	85,638
-	669	760	(60,353)	18,958
(2,763)	145	2,702	(242)	(1,383)
13,139	9,240	9,460	72,045	73,428
$ 10,376	$ 9,385	$ 12,162	$ 71,803	$ 72,045

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INTERNAL SERVICE FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	RISK MANAGEMENT	TRANSPORTATION EQUIPMENT	WORKERS' COMPENSATION	DATA PROCESSING
Current Assets:				
Cash and investments	$ 28,526	$ 7,375	$ 4,798	$ 2,057
Receivables, net of allowances:				
Interest	445	223	73	-
Other	-	43	-	8
Due from local governments	-	-	-	-
Due from other Funds	284	1,753	724	3,168
Inventories, at cost	-	2,521	-	-
Other	787	20	-	-
Total Current Assets	30,042	11,935	5,595	5,233
Long-term Assets:				
Fixed assets:				
Property and equipment	236	60,235	12	18,989
Less: accumulated depreciation	(46)	(28,882)	(1)	(6,856)
Total Long-term Assets	190	31,353	11	12,133
Total Assets	$ 30,232	$ 43,288	$ 5,606	$ 17,366
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	$ 1,020	$ 1,130	$ 838	$ 321
Accrued expenses	25	513	3	89
Due to local governments	-	-	-	-
Due to other Funds	207	10	-	20
Deferred revenue	-	-	-	457
Current portion of long-term debt	-	-	-	3,054
Other	-	-	-	-
Total Current Liabilities	1,252	1,653	841	3,941
Long-term Liabilities:				
Accrued compensated absences	73	-	1	205
Accrued insurance losses	129,494	-	52,616	-
Leases and installment purchases	-	-	-	6,161
Total Long-term Liabilities	129,567	-	52,617	6,366
Total Liabilities	130,819	1,653	53,458	10,307
Fund Equity:				
Contributed capital	-	5,956	-	687
Retained earnings	(100,587)	35,679	(47,852)	6,372
Total Fund Equity	(100,587)	41,635	(47,852)	7,059
Total Liabilities and Fund Equity	$ 30,232	$ 43,288	$ 5,606	$ 17,366

			TOTALS	
TELECOMMUNICATIONS	MOTOR POOL	OTHER	1990	1989
$ 148	$ 1,834	$ 3,482	$ 48,220	$ 30,237
-	-	9	750	686
114	9	89	263	479
-	-	21	21	103
723	1,155	1,792	9,599	7,693
-	-	-	2,521	3,095
-	3	11	821	1,628
985	3,001	5,404	62,195	43,921
8,912	10,979	1,638	101,001	87,382
(1,372)	(5,481)	(785)	(43,423)	(35,524)
7,540	5,498	853	57,578	51,858
$ 8,525	$ 8,499	$ 6,257	$ 119,773	$ 95,779
$ 1,058	$ 192	$ 477	$ 5,036	$ 7,584
33	11	559	1,233	835
-	-	8	8	-
77	46	1,533	1,893	332
-	2	-	459	608
766	-	33	3,853	1,825
-	-	-	-	352
1,934	251	2,610	12,482	11,536
31	28	221	559	524
-	-	-	182,110	155,639
6,070	-	112	12,343	9,706
6,101	28	333	195,012	165,869
8,035	279	2,943	207,494	177,405
240	6,898	99	13,880	13,119
250	1,322	3,215	(101,601)	(94,745)
490	8,220	3,314	(87,721)	(81,626)
$ 8,525	$ 8,499	$ 6,257	$ 119,773	$ 95,779

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	RISK MANAGEMENT	TRANSPORTATION EQUIPMENT	WORKERS' COMPENSATION	DATA PROCESSING
OPERATING REVENUES:				
Sales and charges for services	$ 36,440	$ 21,480	$ 11,177	$ 11,090
Other	1,049	575	-	-
Total Operating Revenues	37,489	22,055	11,177	11,090
OPERATING EXPENSES:				
Cost of sales and benefits	-	-	-	2,878
Personal services	1,297	5,815	134	4,140
Contractual services	7,761	3,771	594	230
Aid to local governments	-	-	-	-
Depreciation and amortization	31	5,641	1	2,221
Insurance	33,347	860	16,801	22
Other	358	5,424	26	686
Total Operating Expenses	42,794	21,511	17,556	10,177
Operating Income (Loss)	(5,305)	544	(6,379)	913
NON-OPERATING REVENUES (EXPENSES):				
Interest income	2,529	712	422	-
Interest expense	-	-	-	-
Other	-	180	-	-
Total Non-operating Revenues (Expenses)	2,529	892	422	-
Income (Loss) Before Operating Transfers	(2,776)	1,436	(5,957)	913
OPERATING TRANSFERS:				
Operating transfers out	(89)	(518)	(6)	(295)
Net Income (Loss)	(2,865)	918	(5,963)	618
Beginning Retained Earnings	(97,722)	34,761	(41,889)	5,754
Ending Retained Earnings	$ (100,587)	$ 35,679	$ (47,852)	$ 6,372

TELECOMMUNICATIONS	MOTOR POOL	OTHER	TOTALS	
			1990	1989
$ 10,060	$ 4,558	$ 9,608	$ 104,413	$ 100,427
12	7	717	2,360	3,212
10,072	4,565	10,325	106,773	103,639
8,171	1,194	1,405	13,648	21,615
609	434	4,711	17,140	18,543
111	22	578	13,067	8,246
-	-	372	372	303
881	1,849	333	10,957	9,052
4	290	17	51,341	10,975
697	7	2,290	9,488	4,483
10,473	3,796	9,706	116,013	73,217
(401)	769	619	(9,240)	30,422
-	-	33	3,696	3,128
-	-	-	-	(2)
-	(64)	-	116	(864)
-	(64)	33	3,812	2,262
(401)	705	652	(5,428)	32,684
(44)	(50)	(426)	(1,428)	(107)
(445)	655	226	(6,856)	32,577
695	667	2,989	(94,745)	(127,322)
$ 250	$ 1,322	$ 3,215	$ (101,601)	$ (94,745)

STATE OF ARIZONA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	RISK MANAGEMENT	TRANSPORTATION EQUIPMENT	WORKERS' COMPENSATION	DATA PROCESSING
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	$ (5,305)	$ 544	$ (6,379)	$ 913
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation	31	5,641	1	2,221
Total Adjustments	31	5,641	1	2,221
Changes in Assets and Liabilities:				
(Increase) decrease in receivables, net of allowances	(258)	506	(6)	77
(Increase) decrease in due from other Funds	(284)	(198)	(24)	(1,342)
(Increase) decrease in inventories, at cost	-	131	-	-
(Increase) decrease in other current assets	803	(20)	-	-
Increase (decrease) in accounts payable	(477)	(1,623)	(181)	200
Increase (decrease) in accrued expenses	(86)	436	(6)	(256)
Increase (decrease) in due to other Funds	(59)	(38)	-	20
Increase (decrease) in deferred revenue	-	-	-	(151)
Increase (decrease) in other current liabilities	-	-	-	-
Increase (decrease) in compensated absences	73	(298)	1	205
Increase (decrease) in long-term insurance losses	20,450	-	6,021	-
Net Changes in Assets and Liabilities	20,162	(1,104)	5,805	(1,247)
Net Cash Provided (Used) by Operating Activities	14,888	5,081	(573)	1,887
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Interest expense	-	-	-	-
Operating transfers out	(89)	(518)	(6)	(295)
Increase in contributed capital	-	407	-	-
Residual equity transfer	-	-	-	-
Net Cash Used by Non-capital Financing Activities	(89)	(111)	(6)	(295)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of fixed assets	(50)	(7,036)	(3)	(315)
Principal payments under leases and installment purchases	-	-	-	(1,032)
Borrowings under leases and installment purchases	-	-	-	-
Net Cash Used by Capital and Related Financing Activities	(50)	(7,036)	(3)	(1,347)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends on investments	2,529	712	422	-
Net Cash Provided by Investing Activities	2,529	712	422	-
Net Increase (Decrease) in Cash and Short-term Investments	17,278	(1,354)	(160)	245
Cash and Short-term Investments - Beginning	11,248	8,729	4,958	1,812
Cash and Short-term Investments - Ending	$ 28,526	$ 7,375	$ 4,798	$ 2,057

			TOTALS	
TELECOMMUNICATIONS	MOTOR POOL	OTHER	1990	1989
$ (401)	$ 769	$ 619	$ (9,240)	$ 30,422
881	1,849	333	10,957	9,052
881	1,849	333	10,957	9,052
(318)	(9)	(44)	(52)	347
1,242	(352)	(662)	(1,620)	846
-	-	443	574	(477)
-	(3)	27	807	(485)
(836)	(100)	469	(2,548)	3,400
(11)	(35)	356	398	32
77	32	1,537	1,569	236
-	2	-	(149)	(258)
-	-	(352)	(352)	113
31	28	(5)	35	207
-	-	-	26,471	(18,848)
185	(437)	1,769	25,133	(14,887)
665	2,181	2,721	26,850	24,587
-	-	-	-	(2)
(44)	(50)	(426)	(1,428)	(107)
-	-	-	407	-
-	-	-	-	(14,487)
(44)	(50)	(426)	(1,021)	(14,596)
(29)	(1,923)	(425)	(9,781)	(6,026)
(688)	-	(41)	(1,761)	(1,536)
-	-	-	-	145
(717)	(1,923)	(466)	(11,542)	(7,417)
-	-	33	3,696	3,128
-	-	33	3,696	3,128
(96)	208	1,862	17,983	5,702
244	1,626	1,620	30,237	24,535
$ 148	$ 1,834	$ 3,482	$ 48,220	$ 30,237

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TRUST AND AGENCY FUNDS

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STATE OF ARIZONA
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	EXPENDABLE TRUSTS	NON-EXPENDABLE TRUSTS	PENSION TRUSTS	AGENCY	TOTALS 1990	TOTALS 1989
Current Assets:						
Cash and investments	$ 603,109	$ 52,251	$ 1,705,350	$ 1,762,664	$ 4,123,374	$ 3,881,355
Receivables, net of allowances:						
Taxes	34,761	-	-	-	34,761	30,729
Interest	12,179	8,964	43,001	1,901	66,045	85,848
Other	22	2,891	29,539	301	32,753	152,016
Due from local governments	-	-	-	-	-	677
Due from other Funds	520	4,159	-	6,029	10,708	1,511
Inventories, at cost	-	-	-	-	-	493
Other	-	-	-	-	-	136
Total Current Assets	650,591	68,265	1,777,890	1,770,895	4,267,641	4,152,765
Long-term Assets:						
Investments	1,252	443,141	7,469,872	104,597	8,018,862	6,831,506
Receivables, net of allowances	-	30,600	-	-	30,600	34,587
Fixed assets:						
Property and equipment	-	3,761	3,235	-	6,996	5,170
Less: accumulated depreciation	-	(618)	(329)	-	(947)	(658)
Total Long-term Assets	1,252	476,884	7,472,778	104,597	8,055,511	6,870,605
Total Assets	$ 651,843	$ 545,149	$ 9,250,668	$ 1,875,492	$ 12,323,152	$ 11,023,370
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Accounts payable	$ 25,260	$ 2,883	$ 484	$ 2,285	$ 30,912	$ 4,796
Accrued expenses	37	12	-	3,132	3,181	115
Obligations under securities loan agreements	-	-	454,653	-	454,653	631,698
Due to local governments	-	-	-	1,101,050	1,101,050	794,857
Due to others	182	-	-	9,408	9,590	-
Due to other Funds	6,092	4	-	12,754	18,850	10,256
Deferred revenue	8,464	8,201	-	-	16,665	9,745
Other	504	1	-	641,974	642,479	442,564
Total Current Liabilities	40,539	11,101	455,137	1,770,603	2,277,380	1,894,031
Long-term Liabilities:						
Accrued compensated absences	-	10	-	-	10	18
Liabilities to plan investors	-	-	-	104,889	104,889	90,232
Total Long-term Liabilities	-	10	-	104,889	104,899	90,250
Total Liabilities	40,539	11,111	455,137	1,875,492	2,382,279	1,984,281
Fund Balances, all reserved	611,304	534,038	8,795,531	-	9,940,873	9,039,089
Total Liabilities and Fund Balances	$ 651,843	$ 545,149	$ 9,250,668	$ 1,875,492	$ 12,323,152	$ 11,023,370

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EXPENDABLE TRUST FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	UNEMPLOYMENT COMPENSATION	EMPLOYEE BENEFIT	ENERGY CONSERVATION	OTHER	TOTALS 1990	TOTALS 1989
Current Assets:						
Cash and investments	$ 498,579	$ 37,619	$ 30,717	$ 36,194	$ 603,109	$ 539,719
Receivables, net of allowances:						
Taxes	34,761	-	-	-	34,761	30,729
Interest	10,714	670	461	334	12,179	11,064
Other	-	-	20	2	22	64
Due from local governments	-	-	-	-	-	677
Due from other Funds	-	196	156	168	520	992
Inventories, at cost	-	-	-	-	-	493
Total Current Assets	544,054	38,485	31,354	36,698	650,591	583,738
Long-term Assets:						
Investments	-	-	-	1,252	1,252	849
Total Assets	$ 544,054	$ 38,485	$ 31,354	$ 37,950	$ 651,843	$ 584,587
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 5,717	$ 18,768	$ 109	$ 666	$ 25,260	$ 3,078
Accrued expenses	-	-	17	20	37	96
Due to others	-	-	-	182	182	-
Due to other Funds	-	5,802	110	180	6,092	749
Deferred revenue	8,464	-	-	-	8,464	-
Other	-	-	-	504	504	1,761
Total Liabilities	14,181	24,570	236	1,552	40,539	5,684
Fund Balances, all reserved	529,873	13,915	31,118	36,398	611,304	578,903
Total Liabilities and Fund Balances	$ 544,054	$ 38,485	$ 31,354	$ 37,950	$ 651,843	$ 584,587

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	UNEMPLOYMENT COMPENSATION	EMPLOYEE BENEFITS	ENERGY CONSERVATION	OTHER	TOTALS 1990	TOTALS 1989
REVENUES:						
Taxes:						
Sales	$ -	$ -	$ -	$ -	$ -	$ 1
Income	-	-	-	23	23	23
Unemployment	120,078	-	-	-	120,078	120,747
Intergovernmental	-	-	2,049	154	2,203	6,815
Licenses, fees and permits	-	-	-	2,494	2,494	1,796
Earnings on investments	43,466	3,466	2,955	3,622	53,509	43,879
Sales and charges for services	-	-	-	237	237	202
Fines, forfeitures and penalties	1,358	-	-	7,140	8,498	7,484
Other	-	25,109	-	13,318	38,427	4,175
Total Revenues	164.902	28,575	5,004	26,988	225,469	185,122
EXPENDITURES:						
General government	-	108,970	2,828	1,031	112,829	4,456
Health and welfare	151,097	-	-	13,444	164,541	140,282
Inspection and regulation	-	-	-	2,263	2,263	2,273
Education	-	-	-	275	275	301
Protection and safety	-	-	-	4,483	4,483	1,188
Transportation	-	-	-	-	-	1
Natural resources	-	-	-	591	591	556
Capital outlay	-	14	119	781	914	-
Debt service:						
Principal	-	-	-	8	8	-
Interest	-	-	-	1	1	-
Total Expenditures	151,097	108,984	2,947	22,877	285,905	149,057
Revenues Over (Under) Expenditures	13,805	(80,409)	2,057	4,111	(60,436)	36,065
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	101,798	-	1,812	103,610	1,018
Operating transfers out	(1,515)	(7,474)	(1,323)	(474)	(10,786)	(1,031)
Other financing sources (uses)	-	-	-	13	13	245
Total Other Financing Sources (Uses)	(1,515)	94,324	(1,323)	1,351	92,837	232
Revenues and Other Sources Over (Under) Expenditures and Other Uses	12,290	13,915	734	5,462	32,401	36,297
Beginning Fund Balances	517,583	-	30,384	30,936	578,903	542,606
Ending Fund Balances	$ 529,873	$ 13,915	$ 31,118	$ 36,398	$ 611,304	$ 578,903

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NON-EXPENDABLE TRUST FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
NON-EXPENDABLE TRUST FUNDS
JUNE 30, 1990
(Expressed in Thousands)

	LAND ENDOWMENTS	OTHER	TOTALS	
ASSETS			1990	1989
Current Assets:				
Cash and investments	$ 51,308	$ 943	$ 52,251	$ 62,243
Receivables, net of allowances:				
Interest	8,964	-	8,964	7,958
Other	2,830	61	2,891	2,844
Due from other Funds	4,159	-	4,159	-
Total Current Assets	67,261	1,004	68,265	73,045
Long-term Assets:				
Investments	443,141	-	443,141	370,617
Receivables, net of allowances	30,199	401	30,600	34,587
Fixed assets:				
Property and equipment	3,761	-	3,761	1,934
Less: accumulated depreciation	(618)	-	(618)	(399)
Total Long-term Assets	476,483	401	476,884	406,739
Total Assets	$ 543,744	$ 1,405	$ 545,149	$ 479,784
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable	$ 2,883	$ -	$ 2,883	$ 144
Accrued expenses	12	-	12	19
Due to other Funds	4	-	4	6,638
Deferred revenue	8,201	-	8,201	9,745
Other	-	1	1	964
Total Current Liabilities	11,100	1	11,101	17,510
Long-term Liabilities:				
Accrued compensated absences	10	-	10	18
Total Liabilities	11,110	1	11,111	17,528
Fund Balances, all reserved	532,634	1,404	534,038	462,256
Total Liabilities and Fund Balances	$ 543,744	$ 1,405	$ 545,149	$ 479,784

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	LAND ENDOWMENTS	OTHER	TOTALS	
			1990	1989
OPERATING REVENUES:				
Sales and charges for services	$ 17,338	$ -	$ 17,338	$ 26,730
Intergovernmental	95	-	95	154
Earnings on investments	38,276	3	38,279	42,748
Other	4,330	-	4,330	2
Total Operating Revenues	60,039	3	60,042	69,634
OPERATING EXPENSES:				
Personal services	349	-	349	479
Contractual services	196	-	196	212
Aid to local governments	44,014	474	44,488	53,216
Depreciation and amortization	219	-	219	383
Insurance	65	-	65	60
Other	1,409	-	1,409	580
Total Operating Expenses	46,252	474	46,726	54,930
Operating Income (Loss)	13,787	(471)	13,316	14,704
NON-OPERATING REVENUES:				
Other	58,407	-	58,407	33,143
Income (Loss) Before Operating Transfers	72,194	(471)	71,723	47,847
OPERATING TRANSFERS:				
Operating transfers in	142	-	142	19
Operating transfers out	(83)	-	(83)	(1)
Net Income (Loss)	72,253	(471)	71,782	47,865
Beginning Fund Balances	460,381	1,875	462,256	414,391
Ending Fund Balances	$ 532,634	$ 1,404	$ 534,038	$ 462,256

STATE OF ARIZONA
COMBINING STATEMENT OF CASH FLOWS
NON-EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	LAND ENDOWMENTS	OTHER	TOTALS	
			1990	1989
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating Income (Loss)	$ 13,787	$ (471)	$ 13,316	$ 14,704
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation	219	-	219	383
Total Adjustments	219	-	219	383
Changes in Assets and Liabilities:				
(Increase) decrease in receivables, net of allowances	2,758	176	2,934	(10,501)
Increase in due from other Funds	(4,159)	-	(4,159)	-
Increase (decrease) in accounts payable	2,739	-	2,739	(85)
Increase (decrease) in accrued expenses	(7)	-	(7)	14
Increase (decrease) in due to other Funds	(6,634)	-	(6,634)	6,629
Increase (decrease) in deferred revenue	(1,544)	-	(1,544)	1,683
Increase (decrease) in other current liabilities	(963)	-	(963)	964
Increase (decrease) in compensated absences	(8)	-	(8)	12
Net Changes in Assets and Liabilities	(7,818)	176	(7,642)	(1,284)
Net Cash Provided by Operating Activities	6,188	(295)	5,893	13,803
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other non-operating revenues	58,407	-	58,407	28,054
Operating transfers in	142	-	142	19
Operating transfers out	(83)	-	(83)	(1)
Net Cash Provided by Non-capital Financing Activities	58,466	-	58,466	28,072
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of fixed assets	(1,827)	-	(1,827)	(1,873)
Net Cash Provided by Capital and Related Financing Activities	(1,827)	-	(1,827)	(1,873)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	470,006	-	470,006	511,313
Purchase of investments	(542,530)	-	(542,530)	(550,142)
Net Cash Used by Investing Activities	(72,524)	-	(72,524)	(38,829)
Net Increase (Decrease) in Cash and Short-term Investments	(9,697)	(295)	(9,992)	1,173
Cash and Short-term Investments - Beginning	61,005	1,238	62,243	61,070
Cash and Short-term Investments - Ending	$ 51,308	$ 943	$ 52,251	$ 62,243

PENSION TRUST FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
PENSION TRUST FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	STATE RETIREMENT	PUBLIC SAFETY	ELECTED OFFICIALS	CORRECTIONS	TOTALS	
					1990	1989
Current Assets:						
Cash and investments	$ 1,693,642	$ 8,961	$ 480	$ 2,267	$ 1,705,350	$ 2,047,930
Receivables, net of allowances:						
Interest	23,547	17,080	1,473	901	43,001	65,648
Other	22,081	6,612	278	568	29,539	143,491
Total Current Assets	1,739,270	32,653	2,231	3,736	1,777,890	2,257,069
Long-term Assets:						
Investments	6,001,467	1,272,623	90,517	105,265	7,469,872	6,370,039
Fixed assets:						
Property and equipment	2,600	635	-	-	3,235	3,236
Less: accumulated depreciation	(290)	(39)	-	-	(329)	(259)
Total Long-term Assets	6,003,777	1,273,219	90,517	105,265	7,472,778	6,373,016
Total Assets	$ 7,743,047	$ 1,305,872	$ 92,748	$ 109,001	$ 9,250,668	$ 8,630,085
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 484	$ -	$ -	$ -	$ 484	$ 457
Obligations under securities loan agreements	454,653	-	-	-	454,653	631,698
Total Liabilities	455,137	-	-	-	455,137	632,155
Fund Balances, all reserved for retirement benefits	7,287,910	1,305,872	92,748	109,001	8,795,531	7,997,930
Total Liabilities and Fund Balances	$ 7,743,047	$ 1,305,872	$ 92,748	$ 109,001	$ 9,250,668	$ 8,630,085

STATE OF ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	STATE RETIREMENT	PUBLIC SAFETY	ELECTED OFFICIALS	CORRECTIONS	TOTALS	
					1990	1989
OPERATING REVENUES:						
Earnings on investments	$ 884,365	$ 123,321	$ 7,981	$ 7,970	$ 1,023,637	$ 796,536
Retirement contributions	128,870	54,790	5,079	16,527	205,266	383,230
Other	1,539	-	-	-	1,539	43
Total Operating Revenues	1,014,774	178,111	13,060	24,497	1,230,442	1,179,809
OPERATING EXPENSES:						
Retirement benefits and refunds	329,583	44,404	4,647	3,972	382,606	292,792
Depreciation and amortization	58	-	-	-	58	58
Other	49,216	681	64	216	50,177	70,723
Total Operating Expenses	378,857	45,085	4,711	4,188	432,841	363,573
Operating Income	635,917	133,026	8,349	20,309	797,601	816,236
OPERATING TRANSFERS:						
Operating transfers in	-	645	84	-	729	2,346
Operating transfers out	(662)	-	-	(67)	(729)	(2,346)
Net Income	635,255	133,671	8,433	20,242	797,601	816,236
Beginning Fund Balances	6,652,655	1,172,201	84,315	88,759	7,997,930	7,181,694
Ending Fund Balances	$ 7,287,910	$ 1,305,872	$ 92,748	$ 109,001	$ 8,795,531	$ 7,997,930

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AGENCY FUNDS

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STATE OF ARIZONA
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 1990
(Expressed in Thousands)

ASSETS	LOCAL GOVERNMENT INVESTMENT POOL	TREASURER CUSTODIAL SECURITIES	DEFERRED COMPENSATION	OTHER	TOTALS 1990	TOTALS 1989
Current Assets:						
Cash and investments	$ 921,698	$ 616,253	$ -	$ 224,713	$ 1,762,664	$ 1,231,463
Receivables, net of allowances:						
Interest	385	-	-	1,516	1,901	1,178
Other	-	-	294	7	301	5,617
Due from other Funds	5,914	-	-	115	6,029	519
Other	-	-	-	-	-	136
Total Current Assets	927,997	616,253	294	226,351	1,770,895	1,238,913
Long-term Assets:						
Investments	-	-	104,595	2	104,597	90,001
Total Assets	$ 927,997	$ 616,253	$ 104,889	$ 226,353	$ 1,875,492	$ 1,328,914
LIABILITIES						
Current Liabilities:						
Accounts payable	$ -	$ -	$ -	$ 2,285	$ 2,285	$ 1,117
Accrued expenses	-	-	-	3,132	3,132	-
Due to local governments	927,997	-	-	173,053	1,101,050	794,857
Due to others	-	-	-	9,408	9,408	-
Due to other Funds	-	-	-	12,754	12,754	2,869
Other	-	616,253	-	25,721	641,974	439,839
Total Current Liabilities	927,997	616,253	-	226,353	1,770,603	1,238,682
Long-term Liabilities:						
Liabilities to plan investors	-	-	104,889	-	104,889	90,232
Total Liabilities	$ 927,997	$ 616,253	$ 104,889	$ 226,353	$ 1,875,492	$ 1,328,914

STATE OF ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 1990
(Expressed in Thousands)

	BALANCE JUNE 30, 1989	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1990
LOCAL GOVERNMENT INVESTMENT POOL				
ASSETS:				
Cash and investments	$ 697,385	$ 1,137,874	$ 913,561	$ 921,698
Interest receivable	347	385	347	385
Other receivables	5,374	-	5,374	-
Due from other Funds	-	5,914	-	5,914
Total Assets	$ 703,106	$ 1,144,173	$ 919,282	$ 927,997
LIABILITIES:				
Due to local governments	$ 703,106	$ 1,138,579	$ 913,688	$ 927,997
Total Liabilities	$ 703,106	$ 1,138,579	$ 913,688	$ 927,997
TREASURER'S CUSTODIAL SECURITIES				
ASSETS:				
Cash and investments	$ 406,632	$ 358,105	$ 148,484	$ 616,253
Total Assets	$ 406,632	$ 358,105	$ 148,484	$ 616,253
LIABILITIES:				
Other current liabilities	$ 406,632	$ 358,105	$ 148,484	$ 616,253
Total Liabilities	$ 406,632	$ 358,105	$ 148,484	$ 616,253
DEFERRED COMPENSATION				
ASSETS:				
Other receivables	$ 522	$ -	$ 228	$ 294
Long-term investments	89,710	22,506	7,621	104,595
Total Assets	$ 90,232	$ 22,506	$ 7,849	$ 104,889
LIABILITIES:				
Other long-term liabilities	$ 90,232	$ 22,506	$ 7,849	$ 104,889
Total Liabilities	$ 90,232	$ 22,506	$ 7,849	$ 104,889

STATE OF ARIZONA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 1990
(CONTINUED)
(Expressed in Thousands)

	BALANCE JUNE 30, 1989	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1990
OTHER AGENCY FUNDS				
ASSETS:				
Cash and investments	$ 128,779	$ 389,097	$ 293,163	$ 224,713
Interest receivable	839	1,516	839	1,516
Other receivables	-	7	-	7
Due from other Funds	519	115	519	115
Long-term investments	504	-	502	2
Total Assets	$ 130,641	$ 390,735	$ 295,023	$ 226,353
LIABILITIES:				
Accounts payable	$ 1,147	$ 20,834	$ 19,696	$ 2,285
Accrued expenses	-	9,814	6,682	3,132
Due to local governments	85,530	159,776	72,253	173,053
Due to others	16,056	18,237	24,885	9,408
Due to other Funds	2,869	21,883	11,998	12,754
Other current liabilities	25,039	173,756	173,074	25,721
Total Liabilities	$ 130,641	$ 404,300	$ 308,588	$ 226,353
COMBINED TOTAL ALL AGENCY FUNDS				
ASSETS:				
Cash and investments	$ 1,232,796	$ 1,885,076	$ 1,355,208	$ 1,762,664
Interest receivable	1,186	1,901	1,186	1,901
Other receivables	5,896	7	5,602	301
Due from other Funds	519	6,029	519	6,029
Long-term investments	90,214	22,506	8,123	104,597
Total Assets	$ 1,330,611	$ 1,915,519	$ 1,370,638	$ 1,875,492
LIABILITIES:				
Accounts payable	$ 1,147	$ 20,834	$ 19,696	$ 2,285
Accrued expenses	-	9,814	6,682	3,132
Due to local governments	788,636	1,298,355	985,941	1,101,050
Due to others	16,056	18,237	24,885	9,408
Due to other Funds	2,869	21,883	11,998	12,754
Other current liabilities	431,671	531,861	321,558	641,974
Other long-term liabilities	90,232	22,506	7,849	104,889
Total Liabilities	$ 1,330,611	$ 1,923,490	$ 1,378,609	$ 1,875,492

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UNIVERSITY FUNDS

STATE OF ARIZONA
COMBINING BALANCE SHEET
UNIVERSITY FUNDS
JUNE 30, 1990
(Expressed in Thousands)

	CURRENT OPERATING FUNDS				
	UNRESTRICTED				
ASSETS	GENERAL OPERATING FUNDS	DESIGNATED FUNDS	AUXILIARY ENTERPRISES FUNDS	RESTRICTED FUNDS	TOTAL CURRENT OPERATING FUNDS
Current Assets:					
Cash and Investments	$ 30,391	$ 17,157	$ 20,585	$ 8,427	$ 76,560
Cash held by trustee	-	-	-	-	-
Other receivables, net of allowances	415	8,122	14,681	30,036	53,254
Due from other Funds	-	18,294	119	177	18,590
Inventories, at cost	59	31	11,034	-	11,124
Other	-	3,008	761	-	3,769
Total Current Assets	30,865	46,612	47,180	38,640	163,297
Long-term Assets:					
Investments	-	4,669	-	-	4,669
Fixed assets:					
Property and Equipment	-	7	-	51	58
Total Long-term Assets	-	4,676	-	51	4,727
Total Assets	$ 30,865	$ 51,288	$ 47,180	$ 38,691	$ 168,024
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Accounts payable	$ 5,183	$ 3,433	$ 5,079	$ 4,169	$ 17,864
Accrued expenses	6,451	903	772	2,279	10,405
Due to other Funds	6,786	-	1,739	9,862	18,387
Deferred revenue	3,253	11,117	17,178	1,210	32,758
Current portion of long-term debt	-	-	-	-	-
Other	-	67	1,508	-	1,575
Total Current Liabilities	21,673	15,520	26,276	17,520	80,989
Long-term Liabilities:					
Long-term debt:					
Revenue bonds	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Leases and installment purchases	-	-	-	-	-
Other	-	571	-	-	571
Total Long-term Liabilities	-	571	-	-	571
Total Liabilities	21,673	16,091	26,276	17,520	81,560
Fund Balances:					
Restricted	-	-	-	21,171	21,171
Designated	9,192	35,197	20,904	-	65,293
Net investment in plant	-	-	-	-	-
Total Fund Balances	9,192	35,197	20,904	21,171	86,464
Total Liabilities and Fund Balances	$ 30,865	$ 51,288	$ 47,180	$ 38,691	$ 168,024

NON-OPERATING FUNDS				TOTAL ALL FUNDS	
STUDENT LOAN FUNDS	ENDOWMENT AND SIMILAR FUNDS	AGENCY FUNDS	PLANT FUNDS	1990	1989
$ 1,651	$ 22,253	$ 16,386	$ 13,494	$ 130,344	$ 137,724
-	4,073	-	218,063	222,136	262,538
31,711	952	1,523	7,185	94,625	96,374
4	-	-	-	18,594	19,822
-	-	-	-	11,124	11,201
42	-	99	-	3,910	-
33,408	27,278	18,008	238,742	480,733	527,659
-	34,485	-	-	39,154	38,641
-	6,216	-	1,840,218	1,846,492	1,582,994
-	40,701	-	1,840,218	1,885,646	1,621,635
$ 33,408	$ 67,979	$ 18,008	$ 2,078,960	$ 2,366,379	$ 2,149,294
$ 19	$ 12	$ 677	$ 31,751	$ 50,323	$ 44,271
4	-	365	1	10,775	9,592
-	186	-	1,872	20,445	21,270
-	2	-	16	32,776	32,821
-	-	-	17,480	17,480	12,163
-	-	16,966	-	18,541	13,874
23	200	18,008	51,120	150,340	133,991
-	-	-	494,776	494,776	429,157
-	-	-	85,385	85,385	62,760
-	-	-	17,400	17,400	44,409
-	-	-	2,584	3,155	-
-	-	-	600,145	600,716	536,326
23	200	18,008	651,265	751,056	670,317
33,098	49,388	-	35,228	138,885	171,385
287	18,391	-	16,555	100,526	111,413
-	-	-	1,375,912	1,375,912	1,196,179
33,385	67,779	-	1,427,695	1,615,323	1,478,977
$ 33,408	$ 67,979	$ 18,008	$ 2,078,960	$ 2,366,379	$ 2,149,294

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GENERAL FIXED ASSETS

STATE OF ARIZONA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 1990
(Expressed in Thousands)

FUNCTION	LAND	OTHER IMPROVEMENTS	BUILDINGS	EQUIPMENT	INFRASTRUCTURE	TOTALS
General government	$ 21,234	$ 595	$ 111,033	$ 27,192	$ -	$ 160,054
Health and welfare	2,793	4,234	30,652	32,160	-	69,839
Inspection and regulation	-	15	961	11,636	-	12,612
Education	4,796	177	6,149	5,316	-	16,438
Protection and safety	7,857	1,879	289,418	76,981	-	376,135
Transportation	7,498	-	70,929	40,679	3,141,747	3,260,853
Natural resources	6,732	5,128	23,144	20,515	-	55,519
Total General Fixed Assets by Function	50,910	12,028	532,286	214,479	3,141,747	3,951,450
Construction in progress	-	-	72,926	-	902,889	975,815
Total General Fixed Assets	$ 50,910	$ 12,028	$ 605,212	$ 214,479	$ 4,044,636	$ 4,927,265

STATE OF ARIZONA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 1990
(Expressed in Thousands)

FUNCTION	(RESTATED) BALANCE JULY 1, 1989	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1990
General government	$ 144,349	$ 16,495	$ 790	$ 160,054
Health and welfare	64,093	6,377	631	69,839
Inspection and regulation	9,989	3,193	570	12,612
Education	15,140	1,568	270	16,438
Protection and safety	365,255	14,878	3,998	376,135
Transportation	2,915,049	380,959	35,155	3,260,853
Natural resources	49,378	7,271	1,130	55,519
Total General Fixed Assets by Function	3,563,253	$ 430,741	$ 42,544	3,951,450
Construction in progress	796,530			975,815
Total General Fixed Assets	$ 4,359,783			$ 4,927,265

STATE OF ARIZONA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1990
(Expressed in Thousands)

General Fixed Assets:	
Land	**$ 50,910**
Buildings and improvements	**532,286**
Other improvements	**12,028**
Furniture, vehicles, and equipment	**214,479**
Infrastructure	**3,141,747**
Construction in progress	**975,815**
Total General Fixed Assets	**$ 4,927,265**

Investment in General Fixed Assets From:	
General Fund:	
General operations	$ 583,529
Construction in progress	29,705
Federal grants	10,951
Other appropriations	14,998
Special Revenue Funds:	
Industrial Commission Administration Fund	2,911
90/10 Boards Fund	502
DPS Peace Officers Training Fund	3,435
Department of Transportation	
Non-infrastructure	119,106
Infrastructure	3,141,747
Construction in progress	902,889
Other funds	2,077
Capital Projects Funds:	
Certificates of Participation Financed	113,064
General Fund Financed	613
Special Revenue Funds Financed	1,263
Expendable Trust Funds:	
Donations	475
Total Investment in General Fixed Assets	4,927,265
Accumulated Depreciation	1,177,588
Net Investment in General Fixed Assets	$ 3,749,677

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STATISTICAL SECTION

STATE OF ARIZONA
REVENUES BY SOURCE (BUDGETARY BASIS)
GENERAL AND SPECIAL REVENUE FUNDS ONLY
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	FOR THE YEAR ENDED JUNE 30				
	1990	1989	1988	1987	1986
TAXES:					
General:					
Income	$1,023,246	$ 967,622	$ 873,497	$ 835,501	$ 771,449
Property	119,660	87,996	62,278	61,843	58,292
Sales and Use	1,442,588	1,340,810	1,250,133	1,199,560	1,150,177
Motor Vehicle License	87,518	69,504	47,398	44,890	51,595
Luxury	65,662	69,053	70,805	69,569	69,471
Insurance Premium	116,709	79,720	76,835	70,476	60,637
Other	45,818	41,076	49,579	38,238	26,033
Special Revenue:					
Motor Vehicle Fuel	333,317	399,002	167,587	171,860	137,495
Sales and Use	140,104	4,811	4,861	179,072	54,863
Other	145,611	127,593	97,131	68,878	36,429
TOTAL	3,520,233	3,187,187	2,700,104	2,739,887	2,416,441
LICENSES, FEES AND PERMITS:					
General	30,898	31,397	32,801	29,399	24,550
Special Revenue	238,378	182,376	143,006	125,641	98,830
TOTAL	269,276	213,773	175,807	155,040	123,380
CHARGES FOR SERVICES:					
General	5,871	73,533	9,189	8,739	8,238
Special Revenue	7,102	4,669	2,949	4,527	30,294
TOTAL	12,973	78,202	12,138	13,266	38,532
FINES AND FORFEITURES:					
General	2,525	2,068	4,806	1,358	865
Special Revenue	21,092	19,478	20,183	17,162	16,668
TOTAL	23,617	21,546	24,989	18,520	17,533
INTERGOVERNMENTAL	472,751	308,278	755,665	744,323	576,905
INTEREST	46,669	54,566	26,797	20,401	20,998
OTHER REVENUE:					
General	11,562	6,802	59,001	42,028	32,518
Special Revenue	21,743	10,489	45,964	37,123	63,889
TOTAL	33,305	17,291	104,965	79,151	96,407
TOTAL REVENUES	$4,378,824	$3,880,843	$3,800,465	$3,770,588	$3,290,196

Source: State of Arizona Annual Financial Report (Budgetary Basis)

FOR THE YEAR ENDED JUNE 30				
1985	1984	1983	1982	1981
$ 730,875	$ 633,166	$ 575,296	$ 487,977	$ 435,667
57,688	84,546	83,176	88,393	90,032
1,070,245	854,410	616,324	581,145	540,444
46,845	42,454	33,355	32,173	32,017
68,235	66,978	64,619	64,107	62,546
49,566	43,521	44,569	25,625	32,523
25,941	23,142	22,985	24,060	23,182
117,131	103,562	77,943	60,408	83,259
49,574	46,400	24,737	15,075	4
39,694	11,541	2,878	2	19,698
2,255,794	1,909,720	1,545,882	1,378,965	1,319,372
9,135	7,742	15,739	12,968	13,995
82,496	72,268	64,964	73,277	67,146
91,631	80,010	80,703	86,245	81,141
90,759	141,358	119,963	115,364	36,328
26,718	26,422	26,805	13,414	14,823
117,477	167,780	146,768	128,778	51,151
713	818	417	973	250
13,316	14,018	3,770	2,737	3,132
14,029	14,836	4,187	3,710	3,382
572,205	458,006	392,495	236,288	345,069
27,218	23,267	25,706	75,235	85,406
19,790	44,213	90,797	115,284	311,784
71,303	53,030	58,608	378,643	191,094
91,093	97,243	149,405	493,927	502,878
$3,169,447	$2,750,862	$2,345,146	$2,403,148	$2,388,399

STATE OF ARIZONA
EXPENDITURES BY FUNCTION (BUDGETARY BASIS)
GENERAL AND SPECIAL REVENUE FUNDS ONLY
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

	FOR THE YEAR ENDED JUNE 30				
EXPENDITURES:	1990	1989	1988	1987	1986
GENERAL GOVERNMENT					
General	$ 194,700	$ 172,373	$ 175,039	$ 156,969	$ 149,539
Special Revenue	24,901	22,631	45,369	17,238	16,658
TOTAL	219,601	195,004	220,408	174,207	166,197
HEALTH AND WELFARE					
General	437,729	236,941	524,987	448,783	428,998
Special Revenue	73,495	58,932	536,098	458,012	394,195
TOTAL	511,224	295,873	1,061,085	906,795	823,193
INSPECTION AND REGULATION					
General	37,424	33,907	34,423	30,980	27,893
Special Revenue	37,610	35,304	30,366	25,672	34,405
TOTAL	75,034	69,211	64,789	56,652	62,298
EDUCATION					
General	1,235,373	1,206,528	1,556,981	1,471,623	1,420,420
Special Revenue	180,804	11,517	15,555	14,482	13,854
TOTAL	1,416,177	1,218,045	1,572,536	1,486,105	1,434,274
PROTECTION AND SAFETY					
General	258,327	248,950	291,857	245,870	237,813
Special Revenue	34,399	37,897	23,507	95,534	91,822
TOTAL	292,726	286,847	315,364	341,404	329,635
TRANSPORTATION					
General	77	3,834	2,534	3,669	64
Special Revenue	616,556	896,877	550,004	772,451	518,260
TOTAL	616,633	900,711	552,538	776,120	518,324
NATURAL RESOURCES					
General	26,688	30,744	26,878	26,458	28,990
Special Revenue	20,822	24,098	27,695	24,968	17,243
TOTAL	47,510	54,842	54,573	51,426	46,233
MISCELLANEOUS					
General	-	-	-	-	-
Special Revenue	383,051	-	-	-	-
TOTAL	383,051	-	-	-	-
TOTAL EXPENDITURES	$3,561,956	$3,020,533	$3,841,293	$3,792,709	$3,380,154

Source: State of Arizona Annual Financial Report (Budgetary Basis)

FOR THE YEAR ENDED JUNE 30				
1985	1984	1983	1982	1981
$ 121,311	$ 185,602	$ 164,549	$ 156,903	$ 150,299
23,379	20,030	19,697	16,558	18,003
144,690	205,632	184,246	173,461	168,302
375,823	306,230	240,241	121,765	122,762
393,671	321,274	162,849	264,139	234,894
769,494	627,504	403,090	385,904	357,656
23,943	21,668	27,742	30,981	29,081
18,943	17,063	8,381	28,337	7,464
42,886	38,731	36,123	59,318	36,545
1,392,247	1,225,114	1,164,590	1,114,867	1,017,824
11,627	10,803	13,598	91,869	91,943
1,403,874	1,235,917	1,178,188	1,206,736	1,109,767
207,234	172,666	141,657	122,516	103,120
91,421	85,904	48,369	70,622	68,467
298,655	258,570	190,026	193,138	171,587
792	85	2,435	5,152	12,907
437,343	334,386	241,387	249,112	259,730
438,135	334,471	243,822	254,264	272,637
16,781	17,344	21,179	21,274	19,766
18,760	18,876	17,873	38,636	36,804
35,541	36,220	39,052	59,910	56,570
-	-	-	4,376	3,005
-	-	-	-	-
-	-	-	4,376	3,005
$3,133,275	$2,737,045	$2,274,547	$2,337,107	$2,176,069

STATE OF ARIZONA
PROPERTY TAX LEVIES, COLLECTIONS, TAXABLE PROPERTY ASSESSED AND ESTIMATED ACTUAL VALUE, AND PROPERTY TAX RATES
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

Property Tax Year	Property Tax Levies	Collections Related to Property Tax Year	Taxable Property Assessed Value	Taxable Property Estimated Actual Value	Property Tax Rate
1990	$166,400	$155,595	$21,660,300	$22,533,348	$0.77
1989	99,211	91,781	21,001,064	22,333,861	0.47
1988	90,609	84,794	19,285,866	20,817,297	0.47
1987	68,263	67,483	17,963,890	19,338,984	0.38
1986	60,270	60,021	15,860,423	17,641,938	0.38
1985	54,642	54,462	13,660,462	15,189,697	0.40
1984	48,539	48,380	12,134,656	13,529,131	0.40
1983	83,408	83,134	11,121,055	12,818,149	0.75
1982	74,482	74,237	9,330,889	11,177,721	0.80
1981	84,349	84,071	8,884,732	9,953,648	0.95

Source: State of Arizona Annual Financial Report (Budgetary Basis) and the Department of Revenue Annual Financial Report

STATE OF ARIZONA
HIGHWAY CONSTRUCTION REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

		Debt Service Requirement			
Fiscal Year	Gross Revenues(1)	Principal	Interest	Total	Coverage
1990	$329,697	$23,340	$26,609	$49,949	6.6
1989	320,822	22,120	27,993	50,113	6.4
1988	292,766	21,015	29,234	50,249	5.8
1987	279,869	11,330	24,198	35,528	7.9
1986	239,408	9,145	16,650	25,795	9.3
1985	202,981	8,330	17,465	25,795	7.9
1984	174,188	7,585	18,209	25,794	6.8
1983	140,053	2,225	11,878	14,103	9.9
1982	130,743	2,050	2,909	4,959	26.4
1981	121,764	1,925	3,048	4,973	24.5

NOTES:

(1) Operating Income and Other Financing Sources (Uses)--(Transfers In and Out)

Source: Statistical Section of Annual Financial Report for Arizona Department of Transportation

STATE OF ARIZONA
ARIZONA STATE UNIVERSITY REVENUE BOND COVERAGE
FOR THE LAST FOUR FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

		Debt Service Requirements		
Fiscal Year	Gross Revenues(1)	Principal	Interest	Total
1990	$138,200	$5,110	$15,483	$20,593
1989	121,700	3,210	11,617	14,827
1988	109,500	4,675	8,430	13,105
1987	103,100	2,095	10,173	12,268

NOTES:

(1) Gross Revenues consist of pledged revenues for the bonds issued.

Source: Arizona State University

STATE OF ARIZONA
UNIVERSITY OF ARIZONA REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

				Debt Service Requirements			
Fiscal Year	Gross Revenues(1)	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
1990	$436,310	$424,284	$12,026	$3,514	$10,315	$13,829	.87
1989	415,539	387,977	27,562	2,712	10,906	13,618	2.02
1988	376,347	351,475	24,872	2,586	9,679	12,265	2.03
1987	343,805	323,999	19,806	430	9,553	9,983	1.98
1986	322,733	302,230	20,503	428	5,671	6,099	3.36
1985	286,662	274,930	11,732	368	4,865	5,233	2.24
1984	256,080	239,673	16,407	710	4,847	5,557	2.95
1983	224,089	221,640	2,449	384	2,467	2,851	.86
1982	236,939	217,159	19,780	368	1,694	2,062	9.59
1981	214,531	193,881	20,650	366	2,115	2,481	8.32

NOTES:

(1) "Gross Revenues" and "Direct Operating Expenses" include Current Operating Unrestricted Funds only since these are the Funds that are pledged for debt service payments under the System Revenue Bond Indentures. Also excluded from expenses is interest, depreciation and amortization.

In order to maintain comparability between fiscal years, we have omitted financial information related to the University Hospital since control passed to the University Medical Center Corporation as of July 1, 1984.

Source: University of Arizona Controller's Office

STATE OF ARIZONA
ENTERPRISE FUNDS (COLISEUM) REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

Fiscal Year	Gross Revenues(1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1990	$13,191	$10,891	$2,300	$365	$ 82	$447	5.15
1989	11,905	10,413	1,492	350	97	447	3.34
1988	10,933	8,689	2,244	335	112	447	5.02
1987	10,282	7,798	2,484	320	126	446	5.57
1986	9,690	7,528	2,162	305	140	445	4.86
1985	8,659	7,091	1,568	295	153	448	3.50
1984	8,752	6,786	1,966	280	164	444	4.43
1983	8,005	6,436	1,569	270	177	447	3.51
1982	7,042	6,213	829	260	188	448	1.85
1981	6,372	5,360	1,012	250	199	449	2.25

NOTES:

(1) Operating Revenue and Other Revenue exclusive of gain on retirement of bonds
(2) Total expenses exclusive of interest, depreciation and amortization

Source: Veterans Memorial Coliseum and Exposition Center

STATE OF ARIZONA
NORTHERN ARIZONA UNIVERSITY REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

Fiscal Year	Gross Revenues(1)(2)	Debt Service Requirements		
		Principal(3)	Interest	Total
1990	$41,139	$10,235	$7,579	$17,814
1989	35,917	775	4,030	4,805
1988	30,273	1,085	4,070	5,155
1987	28,357	1,175	4,407	5,582
1986	24,567	635	2,812	3,447
1985		510	2,832	3,342
1984		335	2,133	2,468
1983		275	987	1,262
1982		270	541	811
1981		265	541	806

NOTES:

(1) "Gross Revenues" include only revenues that are pledged for debt service payments under the System Revenue Bond Indentures.
(2) Missing information not available
(3) Debt service requirement for FY 1990 was increased by $9 million due to a defeasance of bonds.

Source: Northern Arizona University

STATE OF ARIZONA
UNIVERSITY MEDICAL CENTER REVENUE BOND COVERAGE
FOR THE LAST SIX FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1990	$179,401	$166,669	$12,732	$350	$2,158	$2,508	5.10
1989	148,808	136,604	12,204	-	2,968	2,968	4.11
1988	129,581	119,656	9,925	-	2,585	2,585	3.84
1987	109,856	100,543	9,313	-	1,934	1,934	4.82
1986	92,508	87,418	5,090	-	1,197	1,197	4.25
1985	79,418	75,715	3,703	-	482	482	7.68

Source: University Medical Center

STATE OF ARIZONA
ECONOMIC INDICATORS
FOR THE LAST TEN YEARS

Year	Unemployment Rate		Per Capita Personal Income	
	Arizona	U.S.	Arizona	U.S.
1990	5.3%	5.5%	$16,012	$18,691
1989	5.2%	5.5%	15,364	17,731
1988	6.3%	6.2%	14,781	16,598
1987	6.3%	6.2%	14,200	15,494
1986	6.9%	7.0%	13,531	14,654
1985	6.5%	7.2%	12,866	13,942
1984	4.9%	7.5%	11,997	13,149
1983	9.1%	9.6%	11,030	12,123
1982	9.9%	9.7%	10,297	11,497
1981	6.1%	7.6%	10,085	10,957

Source: Arizona Department of Economic Security

STATE OF ARIZONA
MAJOR EMPLOYERS
FISCAL YEAR ENDED JUNE 30, 1990

EMPLOYER	NUMBER OF EMPLOYEES
State of Arizona	35,000
Motorola, Inc	23,300
University of Arizona	12,461
The Circle K Corporation	11,436
Maricopa County	10,723
Allied-Signal Aerospace Company	10,500
City of Phoenix	10,284
Samaritan Health Service	9,831
United States Postal Service	9,550
Luke Air Force Base	9,500

Source: The information was obtained from the respective employers' Human Resources, Communication, Payroll, Personnel or Public Affairs Departments.

STATE OF ARIZONA
POPULATION BY AGE GROUP

Age Group	1980 Arizona Census	1980 Arizona Percent	1980 U.S. Census	1980 U.S. Percent	1990 Arizona Census	1990 Arizona Percent	1990 U.S. Census	1990 U.S. Percent
0-14	643,591	23.68%	51,290,339	22.64%	832,956	22.73%	53,567,871	21.54%
15-24	515,733	18.97%	42,486,828	18.75%	540,843	14.76%	36,774,327	14.79%
25-34	444,276	16.35%	37,081,839	16.37%	634,899	17.32%	43,175,932	17.36%
35-54	549,332	20.21%	48,434,497	21.38%	878,224	23.96%	62,801,989	25.25%
55-64	258,881	9.52%	21,702,875	9.58%	299,532	8.17%	21,147,923	8.50%
65 and over	306,402	11.27%	25,549,427	11.28%	478,774	13.06%	31,241,831	12.56%
TOTAL	2,718,215	100.00%	226,545,805	100.00%	3,665,228	100.00%	248,709,873	100.00%

Source: Department of Economic Security -- U.S. Department of Commerce, Bureau of the Census

STATE OF ARIZONA
SCHEDULE OF BANK AND SAVINGS & LOAN DEPOSITS
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990
(Expressed in Millions)

Fiscal Year	Banks			Savings & Loans		
	State	Federal	Total Deposits	State	Federal	Total Deposits
1990	$10,628	$15,359	$25,987	$ 1,136	$ 5,861	$ 6,997
1989	7,507	14,856	22,363	5,338	14,048	19,386
1988	8,304	15,020	23,324	10,947	7,881	18,828
1987	8,110	22,915	31,025	9,513	5,728	15,241
1986	7,365	13,500	20,865	9,157	5,571	14,728
1985	5,691	11,251	16,942	7,945	4,883	12,828
1984	5,119	10,738	15,857	6,592	4,024	10,616
1983	4,268	9,169	13,437	4,888	2,671	7,559
1982	3,757	8,396	12,153	3,736	2,324	6,060
1981	3,167	7,328	10,495	3,463	2,043	5,506

Source: Arizona Banking Department

STATE OF ARIZONA
PUBLIC SCHOOL ENROLLMENT - GRADES K-12
FOR THE LAST TEN ACADEMIC YEARS

Academic Year	Grades K-3	Grades 4-6	Grades 7-9	Grades 10-12	Total All Grades	High School Dropouts	
						Total	Percent(1)
1989-90	178,112	155,860	151,640	128,254	613,866	10,563	5.91%
1988-89	212,942	139,899	132,310	110,624	595,775	18,459	11.93%
1987-88	217,167	139,709	132,867	129,352	619,095	11,391	6.56%
1986-87	208,240	134,235	144,467	131,284	618,226	12,772	7.12%
1985-86	195,886	127,406	145,229	127,262	595,783	12,662	7.21%
1984-85	182,263	124,453	149,719	121,057	577,492	14,399	8.42%
1983-84	171,375	124,179	146,817	118,751	561,122	11,656	6.95%
1982-83	164,146	126,851	141,834	119,564	552,395	17,731	10.63%
1981-82	160,564	130,951	136,092	119,495	547,102	16,743	10.16%
1980-81	162,662	130,992	134,853	122,741	551,248	15,076	8.99%

NOTES:

(1) Percentage of total high school enrollment (grades 9-12)

Source: Arizona Department of Education

STATE OF ARIZONA
PUBLIC HIGHER EDUCATION INSTITUTES
FULL-TIME EQUIVALENT FALL ENROLLMENT FOR THE LAST TEN YEARS

INSTITUTION	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Universities:										
Arizona State University	34,005	36,283	35,893	35,269	31,283	30,702	31,164	30,629	29,984	29,783
Northern Arizona University	15,006	14,248	13,233	11,960	10,973	10,393	10,158	10,141	10,220	10,525
University of Arizona	31,507	31,857	30,112	29,043	25,799	25,438	25,184	25,406	26,059	25,959
Total Universities	80,518	82,388	79,238	76,272	68,055	66,533	66,506	66,176	66,263	66,267
Community Colleges:										
Cochise County	2,577	2,742	2,630	2,711	2,186	2,081	2,175	2,170	2,187	2,150
Graham County	2,107	2,082	2,253	2,022	1,943	1,809	1,954	2,079	1,781	1,848
Maricopa County	35,039	33,653	30,847	29,029	27,417	27,171	28,694	29,816	28,466	28,194
Mohave County	1,458	1,217	1,400	1,284	1,071	991	1,012	1,162	1,027	1,094
Navajo County	1,796	1,654	1,831	1,794	1,678	1,462	1,710	1,932	1,928	1,689
Pima County	12,862	11,887	11,464	10,616	10,003	10,043	10,247	11,198	10,518	10,167
Pinal County	2,081	2,208	2,558	2,411	2,268	2,062	2,533	2,612	2,539	2,612
Yavapai County	2,478	2,315	2,246	1,913	1,710	1,696	1,824	1,917	1,988	1,840
Yuma County	2,133	2,144	2,052	1,865	1,825	1,804	1,921	1,862	1,913	1,894
Total Community Colleges	62,531	59,902	57,281	53,645	50,101	49,119	52,070	54,748	52,347	51,488
Total All Institutions	143,049	142,290	136,519	129,917	118,156	115,652	118,576	120,924	118,610	117,755

Source: Arizona Board of Regents
State Board of Directors for Community Colleges

STATE OF ARIZONA
AVERAGE STATE PRISON ADULT INMATE POPULATION
FOR THE LAST TEN FISCAL YEARS
FISCAL YEAR ENDED JUNE 30, 1990

INCARCERATION INSTITUTION	1989-90	1988-89	1987-88	1986-87	1985-86	1984-85	1983-84	1982-83	1981-82	1980-81
Florence Complex	4,044	3,620	3,287	3,168	3,000	2,886	2,653	2,356	2,126	1,996
Perryville Complex	1,400	1,344	1,376	1,374	1,383	1,286	1,149	1,151	862	50
Phoenix Complex	704	985	1,029	864	806	747	638	370	369	330
Tucson Complex	2,095	2,329	2,253	1,915	1,531	1,215	1,051	756	-	-
Douglas Complex	1,518	1,855	1,581	1,167	353	88	6	-	-	-
Winslow Complex	650	513	120	43	15	-	-	-	-	-
Fort Grant Complex	503	672	674	609	790	795	769	774	691	590
Safford Complex	384	372	383	344	321	297	298	277	251	235
Yuma Complex	250	112	-	-	-	-	-	-	-	-
Total	11,548	11,802	10,703	9,484	8,199	7,314	6,564	5,684	4,299	3,201
Repeat Offenders Admitted	1,456	1,172	539	620	553	628	524	595	515	477

Source: Arizona Department of Corrections

STATE OF ARIZONA
ASSESSED VALUE OF NEW COMMERCIAL AND RESIDENTIAL CONSTRUCTION FOR THE LAST TEN YEARS

CALENDAR YEAR ENDED DECEMBER 31	COMMERCIAL CONSTRUCTION				RESIDENTIAL CONSTRUCTION			
	NUMBER OF UNITS	PERCENT CHANGE	VALUE (EXPRESSED IN THOUSANDS)	PERCENT CHANGE	NUMBER OF UNITS	PERCENT CHANGE	VALUE (EXPRESSED IN THOUSANDS)	PERCENT CHANGE
1990	27,590	-4.87%	$1,791,894	-2.00%	39,011	-6.04%	$1,912,823	-2.92%
1989	29,002	-14.50%	1,828,526	-23.31%	41,518	-6.91%	1,970,457	-11.00%
1988	33,921	-17.52%	2,384,432	-9.21%	44,601	-12.74%	2,213,987	-10.75%
1987	41,127	-9.77%	2,626,416	-8.48%	51,115	-13.43%	2,480,641	-2.36%
1986	45,578	-4.94%	2,869,643	-8.00%	59,047	-3.12%	2,540,719	-9.05%
1985	47,949	-2.05%	3,119,315	-1.62%	60,948	7.47%	2,329,879	11.41%
1984	48,955	3.26%	3,170,534	71.10%	56,710	-2.58%	2,091,333	19.68%
1983	47,408	39.03%	1,853,083	33.62%	58,210	34.46%	1,747,427	78.00%
1982	34,098	-6.82%	1,386,781	0.57%	43,291	-5.92%	981,706	-6.33%
1981	36,592	2.15%	1,378,860	3.33%	46,016	-8.48%	1,048,097	-0.92%

Source: Center for Business Research
College of Business, Arizona State University

STATE OF ARIZONA
GROSS STATE PRODUCT BY SECTOR FOR SELECTED YEARS
(Expressed in Millions of 1982 Dollars)

SECTOR OF ECONOMY	1977	1982	1988	1989	SECTOR AS % OF 1989 TOTAL
Government	$ 4,270	$ 4,942	$ 5,970	$ 6,028	12.05%
Manufacturing	3,904	5,205	9,126	9,190	18.37%
Mining	1,354	2,007	1,110	1,075	2.15%
Construction	1,957	2,133	3,087	2,868	5.73%
Trade	4,658	5,753	8,472	9,083	18.15%
Finance, Insurance, Real Estate	4,408	5,101	7,187	7,400	14.79%
Transportation, Communications and Public Utilities	2,209	2,769	4,374	4,651	9.29%
Service	3,932	5,084	7,959	8,536	17.06%
Agriculture	860	1,266	1,249	1,204	2.41%
	$ 27,552	$ 34,260	$ 48,534	$ 50,035	100.00%

Source: Recomputed from the "Arizona Quarterly Gross State Product at Annual Rate in Billions of 1982 Dollars" report -- Center for Business Research, College of Business, Arizona State University.

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